

## **Warwick District Council Efficiency Plan**

### **Introduction**

Warwick District Council's (WDC) vision and our purpose as an organisation, is to help make Warwick District a great place to live, work and visit where we aspire to build sustainable, safer, stronger and healthier communities. We set out this vision in our Sustainable Community Strategy (SCS) which we have been pursuing since 2009. Our policy priorities within it are – Prosperity, Housing, Health and Well Being, Sustainability and Safer Communities. Our vision is long term in nature and we believe that by focusing on these policy areas we can realise our vision for our communities.

However, we have been working to achieve our vision in the context of a long term period of financial austerity. To help tackle that this Council has developed a change programme – Fit for the Future (FFF) - which it has successfully run since October 2010 to enable the Council to maintain or improve its Services, support its People through change and ensure that it saves enough Money (or increases its income) to achieve a sustainable balanced budget.

We have been successful in managing to both chart the difficult course of financial austerity and to continue to deliver improvements for our local communities. One of the keys for us being able to do this, is our work with a variety of partners across a variety of issues who can bring expertise, financial and other resources to help deliver improvements for our local communities.

Following the local government finance settlement for 2016/17 and the Secretary of State's letter to Council Leaders of 10<sup>th</sup> March 2016, WDC has produced the next stage of its FFF change programme (or efficiency plan) to ensure that the Council continues to deliver quality services for its local communities.

### **FFF Change Programme**

The Council's change programme has been produced following consultation with staff, trade unions, partners and Councillors and aims to deliver a balanced budget which protects services through the proposed minimum grant period offer and beyond. Details of the individual initiatives can be seen in the table below:

**Table 1**

	<b>Savings/ income to be considered</b>	<b>17/18 £000</b>	<b>18/19 £000</b>	<b>19/20 £000</b>	<b>20/21 £000</b>	<b>Total</b>	<b>Commentary</b>
1	Review of Tourism Budget contributions to external organisations					The Council's budget is over £100k so it is anticipated that savings can be identified.	A review is being undertaken of Destination Management Organisation and Visitor Information Centre contribution to tourism.
2	Review of Concurrent Services and parish support	145				145	The Council has been able to protect support for

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							Towns and Parishes whilst its own budget has reduced dramatically. This needs to be reviewed.
3	Review of One Stop Shop service	50				50	A review is being undertaken and will report in late summer. However, there are currently five vacancies on the team and so it should be possible to reconfigure service delivery to embrace the digital agenda and make savings.
4	Leisure Centre business support team staff review and TUPE considerations - Cultural Services.		80			80	A review of business support team Leisure Centre operation and TUPE considerations has commenced.
5	Other Corporate employee savings from Leisure Centre operation outsourcing - HR & Media staff review		85			85	Review to commence in 12 months' time following outsourcing of Leisure Centre operations.
6	Other Corporate employee savings from Leisure Centre operation outsourcing - Finance		30			30	Savings will need to be identified to ensure that the residual support service costs as a result of the Leisure operation being outsourced are not left as a legacy cost.
7	Other Corporate employee savings from Leisure Centre operation		85			85	Savings will need to be identified to ensure that

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	outsourcing - Housing & Property Services						the residual support service costs as a result of the Leisure operation being outsourced are not left as a legacy cost.
8	Other Corporate employee savings from Leisure Centre operation outsourcing - Other		20			20	Savings will need to be identified to ensure that the residual support service costs as a result of the Leisure operation being outsourced are not left as a legacy cost.
9	Arts/Theatre review - Phase II					The Council has been awarded Local Enterprise Partnership funding to develop an options appraisal which will address funding for our most expensive heritage assets.	Waiting on the outcome of the business case.
10	CCTV staff overlap period review	15				15	Consultation to begin with staff.
11	Review of Voluntary & Community Sector contract specifications		TBC			The Council's budget is over £300k so it is anticipated that savings can be identified.	2017/18 is final year of current contract arrangements so review will need to be completed by the end of this financial year.
12	Senior Management Review			200		200	Revised proposal suggests changes take place following outsourced Leisure Centre operations, relocation and

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							elections.
13	Increase in income from Crematorium					TBC - It is considered that extra income amounting to over £100k can be generated.	Business case for increased income to be developed.
14	Reduction in Council's "discretionary spend"	25	25	25	25	100	Work to commence on what can be saved without materially impacting on services
15	Review of Community Partnership arrangements			50		50	A review is being undertaken and will report in late autumn.
16	Review of provision of temporary accommodation for homeless households	10				10	Review to commence during 16/17 as the budget has been under-spent in 2015/16.
17	Development Services Technical Support team review	15	15			30	Review to commence during 16/17.
18	Review of Ranger service	20				20	Review to commence during 16/17.
19	Review service delivery approach of Enterprise team					The Council's enterprise team generates over £100k in come and it is considered that this can be increased by at least £50k	Review to commence during 16/17.
	Grand Total					<b>£920k + £TBC (anticipated to be at least another £100k)</b>	

### Efficiency Plan impact on Medium Term Financial Strategy

At the time that the next stage of the change programme was produced the Council needed to find savings of c£700k by 2020/2021 against current net expenditure of £12.5m despite having made savings of c£3.5m over the last five years. The table below shows the profile of the savings

requirement although it should be noted that the Council has a modest amount of unallocated reserves that could be used to smooth the profile of savings should that become necessary.

**Table 2**

	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000
Cumulative Deficit-Savings Required(+)/Surplus(-) future years	148	295	75	52	696
In year Additional Savings(+)/Surplus(-)	148	147	-220	-23	644

It should be noted that this profile takes the Council up to 2021/22 as it relets its largest contracts - waste collection, street cleansing, recycling, grounds maintenance - and it is anticipated that there will be a significant cost increase in part due to the introduction of the national living wage.

Consequently, successful delivery of the Council change programme will see a positive position in the region of £250k.

### **Organisational Change**

In addition to the change programme initiatives detailed in Table 1, the Council is undertaking four major programmes to bring about organisational change. These are detailed at Table 3 below.

**Table 3**

Project	Commentary
Digital Transformation	To enable the customer to access the services and information they need on-line.
Leisure Development Programme	To enhance the service proposition at Newbold Comyn and St Nicholas Park Leisure Centres and seek an external operator for the management of the Council's Leisure Centres and dual-use sites. Upon completion of Phase I to explore options for the improvement of leisure facilities in Kenilworth.
HQ Relocation	To relocate the Council's headquarters to its Covent Garden multi-storey car park site thereby realising a more efficient and economic building, a new multi storey car park and housing both on its old and new sites. To be delivered through our Limited Liability Partnership (WDC and Public Sector Plc).
Asset Review	Development of a comprehensive asset management strategy to address the current funding shortfall on future maintenance costs and, through our Limited Liability Partnership (WDC and Public Sector Plc), identify any

	commercial opportunities from our 'non-operational' property portfolio.
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### **Ownership and Monitoring**

The Council's change programme is owned by the Executive (Leader & Portfolio Holders) with the responsibility for delivering lying with the Senior Management Team (SMT) of executive officers. Monitoring is on a monthly basis through various meetings. Progress is reported to the Executive on a quarterly basis. The Council has a Significant Business Risk Register which the SMT reviews on a quarterly basis and is also reported to Executive quarterly. Major Council projects have their own Risk Registers.

### **Mitigating Risk**

Through prudent financial management over many years, the Council has for a long time maintained a healthy balance of reserves. These reserves are forecast to reduce from £17m as at 31 March 2016 to under £7m in March 2021. These reserves are primarily being used for the following purposes:-

- To invest in services so as to improve the level of service provided and make savings in the recurring revenue costs of service delivery.
- To cover short term revenue funding shortfalls. The most notable use here is the Business Rate Volatility Reserve that is being used to "smooth" the impact of the significant level of appeals that are still outstanding. In addition, it is possible to use reserves to fund service provision whilst revenue savings are being secured.
- To fund unbudgeted costs, for example investing in major repairs to the Council's municipal properties.
- To fund strategic property acquisition and investment in accordance with the Council's priorities.

### **Supporting Documents**

Council Budget 2016/17 - [Here](#)

FFF Change Programme 2017/18-2020/21 - [Here](#)

Significant Business Risk Register - [Here](#)

External Audit VFM report - [Here](#)

Signed by Leader of Warwick District Council:

Councillor Andrew Mobbs 10/10/2016