

## **Worcester City Council Efficiency Plan 2016/17 to 2019/20**

Worcester City Council's Efficiency Plan for the four years from 2016/17 to 2019/20 is represented by two key corporate documents: the [City Plan](#), which is a new plan setting out the Council's vision, ambition and priorities for the medium term; and the [Medium Term Financial Plan](#) (MTFP), which outlines a deliverable and affordable approach to meeting the challenges presented by reductions in funding and sustained demand for our services. The new City Plan replaces our previously agreed Corporate Plan 2015-2020.

Worcester City Council had a change in political leadership following the elections in May 2016, with the Labour Group now running a minority administration. The new City Plan 2016-2021 was approved by Full Council in September 2016. It is a shared plan, co-authored by the Leaders of the Council's three political parties who have come together to formulate a shared vision of a future Worcester, which they believe can only be achieved by working together and by working with partners across the city.

The City Plan has a clear focus on those things which will ultimately help us to deliver the collective vision of a city that is prosperous, accessible, diverse and inclusive; with great opportunities for work, leisure, sport and tourism alongside a quality of life that is attractive to all. The key themes of the City Plan are:

- Stronger and Connected Communities
- A Prosperous City
- A Healthy and Active City
- A Heritage City for the 21<sup>st</sup> Century
- Sustaining and Improving our Assets

The City Plan condenses into eight pages the direction we want to go in, how we aim to travel on that journey and what we want to see at the end of it. The final page outlines how the City Plan will be delivered, the policies which support and underpin the City Plan and how we will measure success against 34 target measures.

The City Plan is supported by the current MTFP 2016-2021, and the proposed Draft MTFP 2017-2022 which will be published on 17<sup>th</sup> October 2016. The new Draft MTFP is subject to change following consultation and scrutiny review, and the final version will go forward to Full Council in February 2017 for approval. The current MTFP and the new Draft MTFP outline the challenges facing the Council and both identify a similar three-pronged approach to deal with these challenges, of:

- protecting New Homes Bonus grant funding to help deliver the City Plan;
- maximising income generated locally, and;
- reducing costs in order to maintain financial sustainability.

As illustrated in the MTFP, the Council has a five year budgeting approach. The previous Conservative Administration and the current Labour Administration have both adopted an approach to deliver a balanced budget for the first three years of the five year MTFP, which allows time to plan for the financial challenges faced in the later years. This approach, along with the four-year settlement, offer provides services with more stability and certainty and enables savings delivery to be planned, consulted upon and implemented.

This approach has required identifying robust deliverable savings and income generation for years 1 and 2, and targeted areas for improvement with estimates for year 3. Our current 'Mind the Gap' savings plan is shown on pages 106-110 of the MTFP. It identifies some £1.6m of costs savings and income improvements, with £1.1m of this identified for years 1 and 2. The majority of the savings are categorised as efficiency improvements which includes a business improvement programme to streamline transactional processes across the Council to remove non-valued added activities and improve the customer experience. The new Draft MTFP builds on this savings approach with more focus on organisational and service transformation and whole service reviews, and an income generation strategy which will target two to three 'big-ticket' items for the Council.

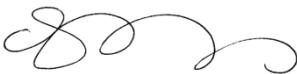
Also included in the MTFP on page 111 is our six-year Capital Programme, which shows a £19m investment plan for the next five years. Contained within the programme are projects that support the delivery of our City Plan, including a £10m project to deliver our new eight-lane swimming pool and leisure centre refurbishment at Perdiswell Park. Future revenue financing costs to support the borrowing in our capital programme are built into the MTFP.

Our General Fund balance is protected at £1.2m for the first three years of the MTFP and our current Earmarked Reserves (MTFP page 112) are forecast to reduce from £9.1m to £3.5m over the five-year period.

The financial details of the five-year MTFP are summarised on pages 19 and 20 of the MTFP. With the inclusion of the 'Mind the Gap' savings programme the Council is forecasting a balanced budget for 2016/17, 2017/18 and 2019/20. Work is underway with Cabinet to develop the detail to support the refreshed MTFP with the intention that detailed savings and income generation proposals will come forward in December to deliver a three-year balanced budget from 2017/18 onwards. The following proposed strategic themes will provide the framework for the required budget improvements and the delivery of strategic aims and objectives:

- Transformation, organisation and service performance improvement
- Protection of New Homes Bonus grant as leverage for partnership working to deliver the City Plan
- Generation of new income streams in the short, medium and longer term
- An improved asset management approach including a 'One-Town Review' of the public sector estate in Worcester.

This Efficiency Plan has been endorsed by Cabinet and approved for publication by:



Sheena Ramsey, Managing Director



Lesley Meagher, S151 Officer