

Amber Valley Borough Council

4 Year Efficiency Plan

2016/17 – 2019/20

Cllr Kevin Buttery | Leader of the Council

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October 2016

CURRENT FINANCIAL POSITION

The Council's estimate of the financial position over the four year period from 1st April 2016 to 31st March 2020 is set out below. These figures show the withdrawal of funding over the period and assume no actions are taken to address the deficit. The Council's Corporate Plan has as a key priority the addressing of the budget deficit.

Year	Estimated at 1st April 2016 £000	Estimated at 1st April 2017 £000	Estimated at 1st April 2018 £000	Estimated at 1st April 2019 £000
Revenue balances	£4,457	£1,729	£1,220 Deficit	£4,729 Deficit
Minimum level of balances required	£547	£531	£505	£493
Minimum level of 5% achieved	Yes	Yes	No	No

ADDRESSING THE DEFICIT

Council agreed on the 13 July 2016 to the following:

- That consultation be undertaken on the proposed closure of 3 Town Centre Offices in Alfreton, Belper and Heanor and the centralisation of the service at the Ripley Town Centre Office and that the outcome of the consultation process be reported to a future Council meeting for a decision.
- That an annual charge of £40 be agreed for the Green Waste collection service commencing in March 2017, subject to the service only continuing if it is cost neutral.
- That the decisions which are to be actioned by Management Team be noted and their implementation be monitored by the Cabinet.
- That it be agreed that the Financial Plan should be amended to include for the Borough element of Council Tax to be increased from 1 April 2017, 1 April 2018 and 1 April 2019 by £5 on a Band D property and pro rata for the other bands for each year.
- That a contribution of £1million per annum is credited to the General Fund Reserve from New Homes Bonus on 1 April 2017, 1 April 2018 and 1 April 2019.
- That Burial Charges be increased by 2% per annum or by 1% above RPI (whichever figure is higher) from 1 August 2016, 1st April 2017, 1st April 2018 and 1st April 2019 subject to the service overall being no more than cost neutral.
- That a budget for severance costs of £600,000 is created from the General Fund Reserve.

PROPOSED METHODS OF REDUCING THE BUDGET REQUIREMENT

The Council will utilize the following methods to reduce the budget requirement:

1. Examine opportunities to collaborate with local councils to buy in / share services rather than provide services directly.
2. Share office accommodation with other public sector bodies to enable savings to be made across the public estate.
3. To move services towards full cost recovery where feasible.
4. To provide good quality statutory services and reduce the number of discretionary services provided
5. To increase Council Tax over the next three years by £5 per Band D property (pro rata for other bands).
6. To utilize the New Homes Bonus to support the General Fund.
7. To either increase the use of our assets to generate income or consider selling them if they are surplus to the Council's requirements to remove the cost of ownership.
8. To review the terms and conditions offered to employees including the funding of the first 3 days of sickness absence, reducing the working week from 37 hours to 35 hours per week or foregoing pay awards for a specified period of time.

9. Council to consider moving to four yearly elections rather than the current annual cycle saving approximately £80k per year from 2019/20.
10. To review the Leisure PFI contract to identify potential areas of savings subject to the terms of the contract and the views of the SPV company.

TRACK RECORD IN DELIVERING SAVINGS AND EFFICIENCIES

The Council has achieved £3.7 million per annum in efficiencies and savings over the period 2010/11 – 2015/16. However as the external grant reductions continue the scope for the identification of further savings becomes more and more difficult. The savings have been achieved from the following sources:-

- Procurement £421,400
- Income £750,600
- Service reviews £1,009,200
- Staff savings £1,197,200
- Service reductions £330,200

FUTURE RISKS

The risks in the future will come from continued reductions in external grant, increased customer demand and failures of service due to resources being reduced to too low a level. The mitigation of the service demand and failure of service risks can be achieved by monitoring the performances of key services, sickness absence and customer feedback. The continued reduction in external grant is outside the council's direct control and it can only respond to this by maintaining a minimum level of reserves and contingency sums.

The Council's Plan to address the budget deficit is in three phases and these are set out below along with the impact of the planned increase in council tax and the application of New Homes Bonus funding to the General Fund over a three year period. The impact on the General Fund balance is shown below:

Year	Estimated at 1st April 2016 £000	Estimated at 1st April 2017 £000	Estimated at 1st April 2018 £000	Estimated at 1st April 2019 £000
Projected Revenue Balances	£4,768	£1,729	£1,058	£1,310
Use of Reserves	£2,439	£2,950	£3,508	£3,344
Severance Reserve	£600	0	0	0
Potential Savings				
Phase 1		£1,200	£1,200	£1,200
Phase 2			£1,400	£1,400
Phase 3			0	£1,000
Additional Council Tax		£80	£160	£240
New Homes Bonus		£1,000	£1,000	£1,000
Revised Revenue Balances	£1,729	£1,058	£1,310	£1,806
Minimum level of balances required	£547	£531	£505	£493
Minimum level of 5% achieved	Yes	Yes	Yes	Yes

The planned actions will address the budget deficit in the period up to March 2020.



Amber Valley
Borough Council

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