

# Plymouth City Council Efficiency Plan

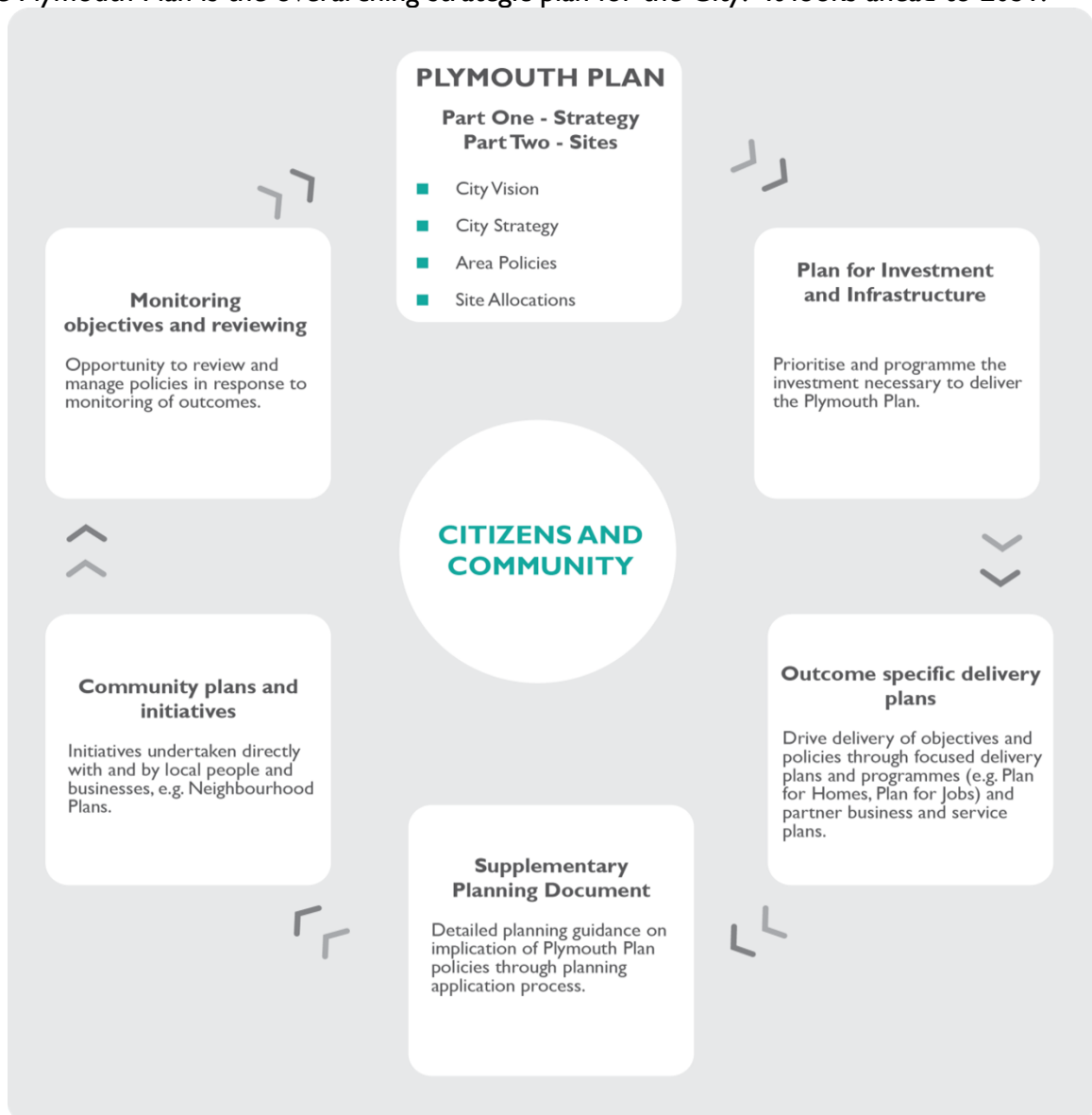
## Introduction

The Council's is submitting its Efficiency Plan to DCLG take up the offer of a four-year funding settlement. The Efficiency Plan draws on the Council's Medium Term Financial Strategy that was considered by Scrutiny Committee on 22 September 2016. The full MTFS is available at

<http://democracy.plymouth.gov.uk/documents/s74165/MTFS%202016-20%20V13%2022.09.16%20Joint%20Scrutiny.pdf>

## Plymouth Plan

The Plymouth Plan is the overarching strategic plan for the City. It looks ahead to 2031.



## Corporate Plan

Our plan on a page drives everything the Council seeks to achieve.

# OUR PLAN ONE CITY COUNCIL



## CITY VISION Britain's Ocean City

One of Europe's most vibrant waterfront cities where an outstanding quality of life is enjoyed by everyone.

## OUR VALUES

### WE ARE DEMOCRATIC

Plymouth is a place where people can have a say about what is important to them and where they can change what happens in their area.

### WE ARE RESPONSIBLE

We take responsibility for our actions, care about their impact on others and expect others will do the same.

### WE ARE FAIR

We will be honest and open in how we act, treat everyone with respect, champion fairness and create opportunities.

### WE ARE PARTNERS

We will provide strong community leadership and work together to deliver our common ambition.

## OUR VISION One team serving our city

### PIONEERING PLYMOUTH

We will be innovative by design, and deliver services that are more accountable, flexible and efficient.

### GROWING PLYMOUTH

We will make our city a great place to live by creating opportunities for better learning and greater investment, with more jobs and homes.

### CARING PLYMOUTH

We will work with our residents to have happy, healthy and connected communities where people lead safe and fulfilled lives.

### CONFIDENT PLYMOUTH

We will work towards creating a more confident city, being proud of what we can offer and growing our reputation nationally and internationally.

## OUR THEMES

- Quality services focused on customers' needs
- Balancing the books
- New ways of working
- Best use of Council assets
- Working constructively with everyone

- Quality jobs and valuable skills
- Broad range of homes
- Increased levels of investment
- Meeting future infrastructure needs
- Green and pleasant city

- Focus on prevention and early intervention
- Keeping children and adults protected
- Inclusive communities
- Respecting people's wishes
- Reduce health inequalities

- Council decisions driven by citizen need
- Plymouth as a destination
- Improved street scene environment
- Motivated, skilled and engaged workforce
- Setting the direction for the South West

## Medium Term Financial Strategy

Our financial principles emphasise balanced budgets. Fees and charges will – subject to policy - be updated to reflect inflation. We allocate specific grants to service budgets, but services must therefore bear the cost of any grant reduction. We expect service departments to fund their own capital investment and ICT costs, except where projects are cross cutting.

Our financial objectives include the generation of the maximum possible funding. Capital schemes are prioritised that deliver tangible outcomes, provided they are affordable. We support the local economy by working in partnership with local business. Income opportunities will be maximised through structured growth of the City. Our Transformation Programme maximises savings and constantly seeks new opportunities.

### Medium term financial forecast

Our planning assumptions are set out in the table below. The 2016/17 gap has already been addressed. The savings requirements for 2017/18 and onwards are being taken forward through the Council's Transformation Programme.

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
	BUDGET	FORECAST		
<b>REVENUE RESOURCES AVAILABLE</b>	<b>186.702</b>	<b>180.776</b>	<b>178.804</b>	<b>176.920</b>
Baseline spend requirement	193.009	186.702	180.776	178.804
One off savings b/fwd.	-	4.876	-	-
Plus identified additional costs	17.564	8.936	7.357	6.403
<b>Overall spend requirement</b>	<b>210.573</b>	<b>200.514</b>	<b>188.133</b>	<b>185.207</b>
<b>In-year shortfall to be found:</b>	<b>23.871</b>	<b>19.738</b>	<b>9.329</b>	<b>8.287</b>
<b>Cumulative shortfall</b>		<b>43.609</b>	<b>52.938</b>	<b>61.225</b>

The Council implemented a 2% Adult Social Care precept in 2016/17 and it is assumed that additional 2% precepts will be levied in succeeding years. Growth in council tax and business rates is assumed, reflecting the Council's ambitious growth agenda. The Council awaits urgently the New Homes Bonus arrangements for 2017/18 onwards

## **Transformation**

Local government is changing rapidly as traditional sources of funding are reducing and the demand for our services is increasing. We must continue to transform the way we do things at pace. We know we cannot do things in the same way we have done in the past and our transformation programme is taking a pioneering and ambitious approach to addressing these challenges while improving services and outcomes for Plymouth citizens.

It means providing services in new ways, joining up with partners wherever possible, investing in ways of doing things more efficiently, making the most of our assets and raising income by taking a more commercial approach.

The transformation programme has invested £14.7 m over the three years since 2014/15. The programme has produced £54.3 m savings. The challenge lies ahead to deliver a further £37m of savings by 2019-20.

There are four programmes that involve a wide range of projects touching every area of our work – growth and municipal enterprise; customer service transformation; integrated health and wellbeing; people and organisational development.

## **Capital**

Over recent years the Council has reviewed its management of the capital programme. The level of capital resource available has also been diminishing and will continue to do so for some time. There is an increased need to bid for specific pots of funding including major road infrastructure projects and large cultural projects such as our exciting new History Centre. The council's ability to maximise investment into the city through vehicles such as the Growth Fund and the Heart of the South West Local Enterprise Partnership has become an increasing priority.

We continually challenge and update all capital income streams in order to estimate the total resources at our disposal. Maximising developer contributions, under Section 106 (S106) of the Town and Country Planning Act 1990, and forecasting for the future generation of capital receipts through planned and structured asset disposals, remain vital income streams. Our programme 2015/16 to 2019/20 is an ambitious £419m of investment.

## **Treasury management**

The council's approach to Treasury Management has been significantly revised due to the global economic environment. Despite being risk adverse, we continue to explore opportunities for generating significant revenue returns through close management of the business's turnover, (more than £500m), and associated cash flow. Throughout the last two years we have reduced the net cost of our treasury management activities, by more than £1.5m. This has mainly been achieved through restructuring long term debt and will deliver revenue savings for at least the next seven financial years.

**Risk and governance**

The Council's Audit Committee plays a key role in our corporate governance, and a full risk register is maintained as part of our Medium Term Financial Strategy.

**Devolution**

The Council is involved in devolution negotiations for a Heart of the South West Combined Authority. When implemented the Combined Authority will be a focus for taking forward our efficiency programmes.