

Report of Head of Finance

EFFICIENCY AND PERFORMANCE PLANNING, AND KEY PRIORITY OUTCOMES FOR THE MEDIUM TERM**1 Purpose of report**

To seek the committee's approval of the Efficiency Strategy and the recommendation of the associated key priority outcomes and corporate performance indicators to be adopted, for use in developing the efficiency action plan and to inform any further corporate planning requirements.

2 Executive summary

2.1 This report is the first stage of preparing an efficiency strategy and action plan for the medium term, as recommended by council on 1st March 2016.

2.2 The Efficiency Strategy and action plan will enable the council to take advantage of the opportunities presented in the financial settlement of a four year funding agreement and the flexible use of capital receipts.

2.3 In order to ensure that the efficiency plans are focussed over the medium term it is first necessary to refresh the council's key priority outcomes for this period. These are discussed in the body of this report.

2.4 The key priority outcomes have been based on members' comments and views on the direction of travel for the borough council they wish to see over the next 4 years, and for the longer term ambition of the borough.

2.5 These outcomes supplement the key strategic themes in the Corporate Business Plan 2011-14, refocusing the objectives for the current climate based on members' aspirations for the medium and long term future of the borough. The vision, mission and values will remain the same. An extract of the current Corporate Business Plan which shows these is at Appendix 3

2.6 Once these outcomes have been established an efficiency action plan can be implemented. The Efficiency Strategy that will govern the development of these proposals is presented as Appendix 1 to this report and the revised corporate performance indicators that will show the direction of travel are at Appendix 2.

3 Appendices

Appendix 1: Efficiency Strategy

Appendix 2: Corporate Performance Indicators

Appendix 3: Extract of Current Corporate Business Plan

4 Proposed action:

The committee is invited to:

4.1 **RESOLVE to agree the Efficiency Strategy at Appendix 1**

4.2 **RECOMMEND the adoption of the 5 key priority outcomes, as outlined in the body of this report**

4.3 **RECOMMEND the adoption of the proposed corporate performance indicators to replace the current set of reported indicators**

5 Background

- 5.1 The Council's most recent Corporate Business Plan covered the period 2011-14, and was presented to this committee in November 2011. This plan reflected the priorities of the council at that time.
- 5.2 Since 2011 significant changes have been made to the council's structure and composition, most notably the creation of Wellingborough Norse Ltd, and restructuring of the senior management team.
- 5.3 The council now faces significant challenges in both service delivery and financial resources. The future of the financial sustainability of the council depends on how it adapts to face these challenges to remain viable for the future.
- 5.4 The council has, for the last few years, set a medium term financial plan which shows the financial position of the council over a four year period. The council has been using its reserves to bridge the gap between expected expenditure and expected income. However, these reserves are depleting each year and a strategy and action plan to ensure the council's financial sustainability is needed.
- 5.5 This strategy and action plan will also allow the council to take advantage of the opportunities presented by the government as part of the latest financial settlement to enter into a four year funding agreement with the flexible use of capital receipts.
- 5.6 An efficiency strategy and action plan is essential to address the financial challenges and deliver cost effective and efficient services. The Head of Finance believes this to be an essential part of the effective management of the financial risks and resource allocation. The new proposed key priority outcomes and corporate performance indicators will inform the development of the proposed actions and provide the initial step towards the overall outcome.

6 Discussion

- 6.1 The financial climate has changed significantly since the last time a corporate plan and key corporate themes were drawn up. The way we deliver our services has changed a great deal over the last few years and there is no doubt that they will have to transform further if they are to be fit for purpose in the new era of local government.
- 6.2 Councillors still have a clear ambition to make Wellingborough a place to be proud of, and have been taking steps to ensure that this happens in the future. Their focus is on the means by which we can thrive rather than just survive in the current climate.
- 6.3 The council's mission and strategic themes, known as the PRIDE objectives, are still relevant and there is no proposal to change these at the current time. But the actions and specific objectives that show how these can be delivered do need to be refreshed to reflect the changes that have already happened, and those that are expected to come. These will be the new key priority outcomes.
- 6.4 The impact of these changes on residents and communities needs to be recognised, and key priority outcomes developed which address the needs of

both the borough as a community and the council itself, to ensure that both remain sustainable for the future.

- 6.5 Over the last few years we have taken steps to improve services and reduce costs. Our plans for the future build on these solid foundations and prepare us for becoming a truly 21st century public sector body, serving the needs of our diverse communities.
- 6.6 **Setting the key priority outcomes**
- 6.7 To ensure that the council remains focussed on the wider issues, but rooted in a local identity, a few key priority outcomes have been identified by members in informal discussions that will become central to the proposed efficiency action over the next four years.
- 6.8 These priorities will have actions that need to be delivered in both the short and medium term, with a focus on the longer term prosperity and regeneration of the borough, as it grows and changes over time. This will make Wellingborough “a borough to be proud of”.
- 6.9 The proposed corporate priority outcomes are designed to reflect the aspirations of the council, clarifying where it wants to be and setting the direction of travel for the medium term. To make this achievable there needs to be a balance between member aspirations and the deliverability of those, in both officer time and financial resources. For this reason clarity about priorities and how we measure our corporate performance is essential.
- 6.10 The Corporate Business Plan 2011-14 included five “PRIDE” strategic themes, which are still important and relevant. It is proposed that these themes are kept for the time being and five new key priority outcomes added to reflect in more detail the medium term ambitions and longer term vision of this council. These will replace the objectives and actions that sit below the five strategic themes.
- 6.11 The council’s ambition is strong and will be challenging, but if well planned and well managed, significant progress towards that longer term vision can be made in the next four years.
- 6.12 The coat of arms motto is “Forward Together”. The council can continue to demonstrate this fundamental approach to working with its citizens to deliver their needs, and also ensure that it embraces the growth of the borough, this being a key element of the borough’s future. “Forward together. ...Growing Together” provides a motto over the longer term.
- 6.13 The vision “Making Wellingborough a place to be proud of” is still the driving force for the council and all the key priorities have this at their heart. As an organisation we are not only making the borough a place to be proud of, we are also “taking pride in our borough” as a whole. With this in mind the following key priority outcomes are proposed:

- “A sense of place and community where everyone has the chance to be healthy, safe and prosperous”
- “Balancing the differing needs of our communities by working together for better outcomes”
- “Managing and enhancing the growth of the borough through good design and planning, to preserve its history whilst embracing future developments”
- “Regeneration of our town centre to be a destination of choice for our residents and our businesses”
- “Providing access to the services and opportunities that enhance safety, wellbeing and lifestyle”

6.14 The first proposed key priority outcome would be to provide:

“A sense of place and community where everyone has the chance to be healthy, safe and prosperous”

6.15 To achieve this we will need to continue to explore working in new and innovative ways, and through more collaboration with key partners, particularly those linked closely to the communities in the borough.

6.16 Community cohesion, both in the rural and urban areas of the borough, is a key aspect of building those community and collaborative partnerships.

6.17 Community and collaboration funding will be made available to promote this sense of community, through either direct grant funding of organisations who help deliver our outcomes, or through jointly resourced collaborative initiatives with other key partners in the borough.

6.18 The guiding principles will be to provide support, either financially or by other means, to organisations who help members of communities to either access services and opportunities, or by directly providing support to those who need it the most. This directly links to a further key priority outcome of:

“Balancing the differing needs of our communities by working together for better outcomes”

6.19 A fundamental aspect of developing our communities is having a base to build lives around, and for most of our residents that is primarily their home. A solid foundation in the community, such as a safe home to live in, provides better life chances and opportunities for all its members.

6.20 Wellingborough is a place that is set to grow on a large scale for the future, building and developing new communities as well as enhancing and engaging with its existing ones.

6.21 The growth in housing and employment forecasts for Wellingborough through its Sustainable Urban Extensions (SUE's) will begin in earnest in the coming years. The infrastructure to enable and unlock this growth is a vital component and work on this is well underway. The borough must support the creation, regeneration and development of its communities in a sustainable manner, embracing new development, but respecting and building on the heritage of the borough. This can be achieved through good design and planning, which blends the history of the area with the diverse needs and expectations of the growing society.

6.22 An appropriate key priority outcome would therefore be:

“Managing and enhancing the growth of the borough through good design and planning, to preserve its history whilst embracing future developments”

6.23 As communities grow the needs and desires of the residents will also grow. Their expectations of the borough's main town will increase; to ensure that this demand is met the town centre needs to be regenerated to provide for the borough's residents over the longer term.

6.24 The prosperity and local economy of our town centre will be enhanced by the growth of the surrounding communities. We need to retain this local economic regeneration and attract new businesses to Wellingborough, not only to provide for these needs but also to provide employment opportunities for our growing population. A key action in this longer term vision will be to focus once again on the town centre and plan for redevelopment in the medium term.

6.25 This leads to a key priority outcome of:

“Regeneration of our town centre to be a destination of choice for our residents and our businesses”

6.26 Closely linked to this would be the need to provide for both the leisure and cultural needs of those growing communities, to ensure that Wellingborough is a place to live in, not just reside in. The priority outcome to support this would be:

6.27 **“Providing access to the services and opportunities that enhance safety, wellbeing and lifestyle”**

The way forward...

6.28 Underpinning all the key priority outcomes will be an action plan for delivery. Some of these will be specific to an outcome, but most will be cross cutting as the outcomes are intrinsically linked to the communities we serve.

6.29 The main actions that cut across the priorities will focus on value for money and affordability, effective management and processes, strong community leadership, partnerships and community engagement, and the quality of service delivery.

- 6.30 One of the more specific action plans will be around the use of the council's own assets as a catalyst for the changes needed, whilst providing financial stability through a more commercial approach. The council has a significant property portfolio, which is divided into those properties that are used to generate an investment return and those that are used, or have been in the past, for the provision of services or for community use
- 6.31 A large number of the non-investment properties are situated in the town centre, from The Castle theatre and Swanspool House and garden, up past the multi-storey car park and Croyland Park, to the market place and the High Street. This forms a corridor through the town centre that is in the council's control. The council is therefore in a strong position to kick-start the regeneration of the town by reviewing its own asset base and planning for its future use to the best advantage of the town as a whole.
- 6.32 The development of the local plan involves surveys and studies of the current provisions in the town centre and surrounding areas, and also assesses the future needs of the developing communities. The results of these must be used to readdress the council's use of its assets to be an enabler of change, particularly in the town centre.
- 6.33 Town centre regeneration is a long and detailed process, and there is a continual need to retain a vibrant and prosperous core for the borough. The council has some short term options to initiate the changes, such as the work on the market place and the redevelopment of Croyland Hall and Abbey. However, the more significant changes that will have the biggest impact will take time to develop and implement. Once the outcomes of the local plan studies have been reviewed a more detailed property asset strategy can be developed and presented to members for consideration.
- 6.34 As the communities in the borough grow and develop, the council itself must adapt and change to new demands and pressures. The council has already moved significantly towards new ways of working and delivering services to address the challenge it faces, both financially and in the expectations of citizens for its services.
- 6.35 A decision to create a wholly owned company to run the crematorium has already been made and Wellingborough Bereavement Services Ltd is now in existence. This is the first step in delivering services in a more commercial way, benefitting financially from capital investment, where appropriate to do so. Councils do not traditionally adopt a commercial mindset but, in doing so, it is possible to realise financial advantages which can be of benefit to the borough as a whole. This is not to suggest that the traditional paternalistic approach cannot be fostered; it is accepting that commercialism is an enabler and of wider benefit.
- 6.36 Not all services are suitable for this commercial approach but the need to deliver all services in the most cost efficient way is paramount to the financial sustainability of the council. All options on service delivery will therefore be

reviewed over the medium term, including the potential to work more collaboratively with neighbouring public sector bodies, to provide efficiencies in processes, and deliver improved services for residents. Where we cannot provide those services directly ourselves we will promote, facilitate and support other key partners who share our ambitions for the borough.

- 6.37 Further changes to continue to meet these challenges will be needed, but will be developed in line with the key priority outcomes outlined in this report.
- 6.38 New corporate performance indicators have been proposed to show the direction of travel for the council, and focus more on the delivery of its priority outcomes. The current performance indicators will still be maintained in service areas and will form part of their overall service action and performance plans used to inform the current and future delivery of each service area.
- 6.39 A medium term efficiency action plan will be developed, based on these priorities, to be consulted on where appropriate, agreed by members and refreshed periodically as part of the annual budget setting process. Following that, more detailed service delivery plans will be put into place. These action plans will reflect the operational issues to be delivered in the short and medium term, contributing to the overall longer term vision. It is likely that these plans will identify further changes to the way services are provided and managed. The structure of the organisation needs to reflect the priorities it is trying to achieve and the management of the organisation will therefore need to change and adapt in line with the new plans.

7 Legal powers

The Council is required by the Local Government Acts 1972 and 2000 to make arrangements for the discharge of its functions.

8 Financial and value for money implications

Effective management of urgent and important activities ensures value for money and optimum deployment of resources

9 Risk analysis

Nature of risk	Consequences if realised	Likelihood of occurrence	Control measures
Targets not achieved	Improvements not delivered in time or to required quality	low	Regular scrutiny and review of the plan by leading officers and members
Targets not appropriate	Improvements not effective or appropriately targeted	Low	Regular scrutiny and review of the plan by leading officers and members

Resources not deployed to match priorities described in the plan	Improvements not delivered in time or to required quality	Medium	Review of medium term financial strategy to be used to inform resource allocation
Failure to focus on the needs of the community	Inappropriate services provided Inefficient use of resources Adverse external audit and inspection reports Reputation damage	Low	Business planning and performance management arrangements

10 Implications for resources

Delivery of benefits and outcomes detailed in the plan should lead to efficiencies and increase the likelihood of attracting resources from stakeholders.

11 Implications for stronger and safer communities

Delivery of benefits and outcomes detailed in the plan should increase the effectiveness of efforts aimed at forging safer and stronger communities.

12 Implications for equalities

Delivery of benefits and outcomes detailed in the plan should result in better outcomes for all people and communities served by the Council

13 Author and contact officer

Liz Elliott Head of Finance

14 Consultees

Senior Management Team

15 Background papers

Medium Term Financial Plan Feb 2016.
Corporate Business Plan 2011-14

Efficiency Strategy for The Borough Council of Wellingborough 2016-17 onwards

The borough council has an annual revenue budget of approx. £10m, and by 2018-19 will need to have made annual savings on that of £1.3m to present a fully funded revenue budget.

The efficiency strategy is required to provide a clear direction over the coming years and to ensure an understanding amongst staff, members and the general public of how this challenge will be met.

In order to present options to be included in the action plan key underlying principles need to be agreed. These are :

- a) To ensure that working practices across the whole council are efficient and effective and represent good value for money
- b) To review the cost of management, democracy and bureaucracy in what is needed to deliver good services and to eliminate the costs of these where they do not add value
- c) To work with others where this can save money or keep important services working
- d) To ensure we get the best out of our staff and have modern effective working practices in place
- e) To increase income to the council, either by fees and charges or income generating projects
- f) To transform services which we are legally bound to deliver to ensure they are modern, effective and efficient
- g) To challenge where we should continue to fund non-essential non-statutory services where others do or could provide these
- h) To understand the impact of any changes to the residents of the borough and to consult where necessary on any proposals
- i) To reduce the cost of operational buildings and to rationalise the non-operational, non-investment properties we own
- j) To implement energy efficient measures where possible
- k) To take advantage of technology to reduce on going revenue costs of delivering services
- l) To encourage the public to use self service access and contact with the council via electronic interfaces where possible
- m) To simplify and modernise the process whereby the public can make payments to us
- n) To review existing contractual relationships with a view to negotiating efficiencies and reducing contractual costs where possible
- o) To work with communities to explore the possibilities of devolving further services to them
- p) Review all fees and charges that are currently charged or could be charged to maximise the income to the council, but to also encourage participation in services that contribute to the key priority outcomes of the council
- q) Develop a model where by non-statutory services cover their costs and do not put financial pressures on the revenue budget

- r) To develop further commercial opportunities that will make a profit which can be returned to the council or reinvested in the company to increase future profits.

These principles outline the strategy that will be adopted and are similar to those already presented as part of the medium term financial plan.

All proposals will be developed in line with these principles and will be consulted upon as part of the annual budget setting process. Capital projects that are either invest to save or invest to return will also be considered in line with the annual capital programme agreed at council. A number of projects have already been developed in principal that use the fundamental elements of this strategy and these are outlined in the Capital Strategy set by council.

This strategy will be refreshed as necessary but is intended to cover the medium term as some transformational projects will take a number of years to develop and implement.

Key Corporate Performance Information 2016/17

	Objective/Focus	Outcome	Measure	Target
1	Effective financial management	Financial stability	% actual expenditure against budget	95%
2	Prosperous local economy	Increase in commercial properties in the borough	increase in the overall rateable value of commercial properties	+£500K pa
3	Regeneration that protects and enhances the borough's assets	Major projects using council assets delivered	% on time and within budget	95%
4	Public health and safety	Improvements in food safety and health and safety in the work-place.	% of food businesses classified as "Broadly compliant" or better. No. of work-place accidents reported	94% 70
5	Clean environment	Customer satisfaction with cleanliness in the town centre and across the borough maintained	% of customers satisfied or better in the annual satisfaction survey conducted by NORSE	70%
6	Sustainable development meeting the needs of local people	Local plan delivered on time and within budget	YES/NO	90%

Extract from Corporate Business Plan 2011-2014



Introduction

Wellingborough faces some testing challenges including the changes proposed by the Localism Bill and coping with the national financial situation. The people and businesses of Wellingborough are facing exceptional economic circumstances. We want to do all we can to promote the economic, social and environmental well-being of the people of the Borough and this lies at the heart of the priorities set out in this plan. Our community, and in particular its more vulnerable members, need to be able to withstand the effects of the economic downturn and be supported as we move from recession to recovery.

In 2011, local people told us what they wanted us to concentrate on and we wrote the 2011-2014 Sustainable Community Strategy around that. This Corporate Business Plan takes its cue from the Sustainable Community Strategy and 2020 vision for Wellingborough and is a critical tool used in making budget recommendations. This Corporate Business Plan includes corporate objectives that guide and direct planning and decision-making towards the accomplishment of our vision and mission.

Our Vision

“Making Wellingborough a place to be proud of”

Our Mission

The mission of the Council is to **lead, engage and perform**. We must:

- **lead** the community by helping people and organisations to work in partnership for the good of the whole borough.
- **engage** with local people and our partners, understand what affects the borough and use that information to prioritise what we do.
- **perform** to the high standards people expect of us and make sure that efficient and effective services are available to meet local needs

Our Values

Our values describe the expectations of how we will behave:

Leading by example

We encourage people to be actively involved in society and take responsibility for themselves and others.

We promote a society where people from different backgrounds are all involved, respected and get on well.

Setting high standards

Everything we do is legal and ethical.

We value, develop and protect our employees so they can deliver the best possible services.

We recognise the contributions made by our employees and partners.

Open and honest

We are honest about what we can and cannot do.

We listen to, and regularly and honestly communicate with, local people and our employees.

We are open to the views of local people and our employees.

We are willing to learn from our experiences and from others outside the Council.

Focusing on performance

We design our services around customers' needs and improve them whenever we can.

Our decisions are based on evidence of what does and does not work.

We learn constantly from our performance.

We use our resources effectively to provide good value for money.

What Does The Corporate Business Plan Do?

This Corporate Business Plan sets out five strategic themes that will guide how we plan and deliver services for the people of the Borough over the next three years. These themes are

- **Promoting high quality growth**
- **Reducing crime and anti-social behaviour**
- **Improving life chances for young people**
- **Delivering efficient and responsive services**
- **Enhancing the environment**

These strategic themes have not been developed in isolation. They take into account national, regional and local priorities. They reflect the wishes and needs of residents and businesses in the Borough and are influenced by the aspirations of our partners in the public, private and voluntary sectors as articulated in the Northamptonshire and Wellingborough Sustainable Community Plan, the Local Development Framework and our 2020 Plan for the built environment.

In addition, each year we set our priorities for the year ahead. These priorities reflect where the Council's attention and resources will be focused that year to achieve particular, measurable outcomes.

The five strategic themes and our annual priorities all help to achieve the Council's Vision

How Will This Corporate Business Plan Work?

All our resources, both people and financial, will be focused on achieving the outcomes within this Corporate Business Plan. Anything which is not in this Corporate Business Plan, or which is not a national or regional policy, will not be considered a priority for additional resources.

All of our other plans and policies will be framed by this Corporate Business Plan and will reflect its priorities.

Our Medium-Term Financial Plan will identify and provide the financial resources to deliver this Corporate Business Plan.

Our strategic programme and service plans provide more detail on commitments and actions and specific performance improvement measures.

The Annual Report will set out how well we are delivering the Corporate Business Plan and report on our performance over time.

How Will This Corporate Business Plan Be Reviewed?

The plan will be reviewed annually to reflect:

- How we are progressing against the planned outcomes
- Any changes to the annual priorities following the annual policy seminar
- Any changes to the sustainable community priorities of the Local Strategic Partnership
- Public and stakeholder feedback
- Delivering the outcomes specified for each of the strategic themes will be the responsibility of the Council's Corporate Management Team, who will monitor progress over the three-year period and make regular reports to the Members of the Council