

## **Arun District Council Efficiency Plan 2016/17**

The Council's Efficiency Plan has been prepared in response to the Government's offer of a guaranteed minimum settlement (4 year settlement guarantee) for the period to 2019/20. The Plan forms part of the Council's Medium Term Financial Strategy as contained in the Financial Prospects 2016/17 to 2021/22 Report.

### **Funding**

The Council is facing a significant challenge in addressing its forecasted budget deficit in an increasingly uncertain environment and increasing risk.

### **The Strategic Direction of the Council**

The Medium Term Financial Strategy (MTFS) 2015-2021 as approved by Cabinet on 16 November 2015 identified increasing budget deficits starting in 2017/18 resulting the Council's reserves being depleted by the end of 2020/21 if the Council did not change. The Council agreed to take steps to become more self-sufficient by increasing controllable income and increasing Council Tax which had remained frozen since 2010.

The current MTFS 2016-2022 shows that the Council has already closed some of the gap, with the Council's budget forecast to remain balanced until 2019/20. However, after that date the situation becomes significantly worse an increasing reliance on reserves to provide resilience.

Full Council (13 January 2016) agreed the route to being a better Council in the future included the Council being: Easier to deal with; Getting things right first time; Doing things as quickly as possible; Better understanding of what we can and cannot deliver; Being more aware of performance and; Balancing our budget

The Council's priorities are linked to the four 2020 Vision Statements:

- Your Services
- Supporting you
- Your future
- Providing the best services we can afford to help improve your life

The Vision 2020 programme (Working together for a better future) has been established to provide strategic direction to help the Council become more effective and sustainable and to enable it to meet future demands that are placed upon it. Full Council agreed phase 1 of the Vision programme and details were included in a report entitled "2020 Vision programme (including Shared Services)". The Council is facing a challenging financial climate and changing customer expectations. The Council's aim is to strengthen relationships with local organisations and communities offering more digital opportunities to make interaction with the Council less complicated. The strands of the Vision programme are:

- Offering a better customer experience
- Strengthening external relationships
- Providing more digital online services
- Becoming smaller but more effective

## The Council's Medium Term Financial Strategy Forecast

	2016/17 £'000s	2017/18 £'000s	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s
Net Expenditure	23,974	22,614	22,494	23,726	25,106	25,671
(Deficit)	(719)	942	706	(666)	(2,089)	(2,833)
General Fund Balance	9,442	10,384	11,090	10,424	8,335	5,502

The Council has already made significant savings (£1M) on the retendering of major contracts and other areas including the restructuring of senior management and optimising income. Total phase 1 savings have the potential of achieving between £1.9M and £3.6M (detail contained in Vision update report cabinet 17 October 2016).

In order to become more self-sufficient the Financial Strategy assumes that Council Tax is increased by £5 on Band D for the length of the forecast

### **Transformation investing in Assets**

By investing in a new Leisure Centre in Littlehampton and improvements at the Arun Leisure Centre the Council has secured significant financial benefits through its Leisure Contract. Other areas have included the investment in Beach huts and investigation into a Local Housing Company

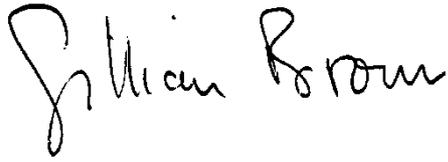
### **Transformation Shared Services**

The MTFs does not reflect the phase 1 Vision savings related to Shared Services. The Council is currently working with Chichester and Horsham District Councils developing detailed business cases for shared services. The services currently under consideration are: Internal Audit; HR/ Payroll; ICT; Legal; Revenues/ Benefits and Customer Services. The outline Business Cases showed an indicative saving of in the region of £2 million (to be shared among the Authorities). It is anticipated that these proposals will go to full Council in February 2017.

### **The Council Transformation Programme phase 2**

There will be a further service related review once phase 1 of the new management structure has been approved.

This Efficiency Plan is endorsed by:



Councillor Mrs Gillian Brown  
Leader of the Council



Nigel Lynn  
Chief Executive

Additional Information:

Arun District Council Update on Vision 2020 Programme October 2016  
Arun District Council Vision 2020 Programme October 2016  
Arun District Council Financial Prospects Report 2016-2022  
Arun District Council Financial Prospects Report 2015-2021  
Arun District Council Vision 2020 Update January 2016  
Arun District Council Budget 2016-17 Report