

## EFFICIENCY STRATEGY 2016/17 – 2021/22

### 1 BACKGROUND

- 1.1 The predecessor Councils first Efficiency Strategy was produced in response to the Statutory Guidance on the Flexible Use of Capital Receipts issued by the Ministry of Housing, Communities and Local Government (MHCLG), formerly the Department for Communities and Local Government (DCLG).
- 1.2 The Guidance provides the flexibility to local authorities to use capital receipts to fund the revenue set up and implementation costs of projects designed to generate ongoing revenue savings.
- 1.3 This Strategy forms part of the delivery of the East Suffolk Business Plan and shared Vision for East Suffolk, and particularly supports the Councils Efficiency Plan (**Appendix A**) and the overall objective of Financial Self-Sufficiency.

### 2 OBJECTIVES

- 2.1 The Guidance enables authorities to use capital receipts to fund one-off revenue costs associated with projects intended to produce ongoing revenue savings. The Guidance does not enable ongoing revenue costs to be funded by this method. The Guidance originally applied to capital receipts and projects over the period 2016/17 to 2018/19, but in the 2018/19 Provisional Local Government Finance Settlement it was announced that:

*“Local government operates in a society that is constantly changing. To meet the challenges of the future, the Communities Secretary confirmed that the flexibility to use capital receipts to help meet the revenue costs of transformation will be extended for a further 3 years to April 2022”.*

- 2.2 The objectives of this Strategy are to:
  - Outline the methodology and criteria for projects that might be eligible for capital receipts funding;
  - Identify projects that are considered to be eligible and which may be funded by this method;
  - Report on the progress of projects approved in previous years.

### 3 METHODOLOGY

- 3.1 The Efficiency Strategy will be produced annually for the period 2016/17 to 2021/22, and will be approved by Full Council as part of approval of the Council’s Budget. If required, a revised Strategy will be prepared during the course of the year to reflect significant changes to both the range and potential funding value of eligible projects. This is the fourth annual Efficiency Strategy prepared since the guidance was issued.

- 3.2 Key Financial Self-Sufficiency projects will be project managed by the Strategic Management Team (SMT).
- 3.3 To make use of this flexibility, capital receipts must arise in the period 2016/17 to 2021/22, and qualifying expenditure must take place in the same period. For example, a capital receipt realised in 2016/17 could finance a project in 2021/22, but not in 2022/23. Capital receipts realised before 2016/17 cannot be used.
- 3.4 If projects are identified in the Strategy, they can still be financed in whole or in part from other sources, e.g. revenue budgets. The Council is not obliged to fund these projects from capital receipts, and new capital receipts might not necessarily be available during the period of the Strategy. It is essential that eligible projects should identify alternative sources of funding to enable them to proceed, as capital receipts cannot necessarily be relied upon. In addition, the decision to use capital receipts to fund these projects needs to be taken in the context of the Council's overall capital financing requirements.
- 3.5 If appropriate, the Council will approve the budgeted funding of the projects in the strategy when approving the Capital Programme for the year, and will determine the actual financing when approving the Council's Capital Programme outturn and financing for the year.
- 3.6 There is no formal check by MHCLG on the eligibility of projects to be classified as qualifying expenditure, nor is the Strategy specifically reviewed by external audit.

#### **4 ELIGIBLE PROJECTS AND USE OF CAPITAL RECEIPTS 2019/20**

- 4.1 The decision to use capital receipts to fund transformation projects needs to be taken in the context of the Council's overall capital financing requirements, and in the event all of these capital receipts will be required to fund the Council's Capital Programme. Consequently, no use of this flexibility is currently proposed in respect of projects in 2019/20. Funding of the one-off revenue costs of the identified projects will be made from other sources, e.g. existing revenue resources.
- 4.2 To date there has been no use of capital receipts to fund one-off revenue costs.

#### **5 ELIGIBLE EFFICIENCY STRATEGY PROJECTS**

- 5.1 A brief summary of the projects identified from the East Suffolk Business Plan included in this Strategy as being eligible for capital receipts funding are summarised below, with a description of the project and project objectives.

Project	Project Description	Project Objectives	Project Progress
<p><b>ES4: TRANSFER OF AMENITY AND COMMUNITY ASSETS TO TOWN AND PARISH COUNCILS</b></p>	<p>To empower local town and parish councils by continuing to transfer amenity and community assets.</p>	<p>To achieve ongoing savings to the Council’s budget and potential efficiencies and strengthened third-tier service delivery.</p>	<p>The Council has been working with the Town and Parish Councils to increase their role in influencing and delivering local services. As part of this process, many of the Town and Parish Councils expressed a desire to play a more active role in the provision of local discretionary services, such as public conveniences, parks and play areas, and the Council recognises that they are often best placed to deliver these services on behalf of their local community. By transferring responsibility for assets it not only helps to generate pride in a local area, but often secures a service that might otherwise have been at risk.</p> <p>Around 70 assets have been transferred to local Town and Parish Councils, including Waveney Meadow to Beccles Town Council, a boating lake to Southwold Town Council, allotments to Felixstowe Town Council and Oak Meadow to Kesgrave Town Council.</p>
<p><b>ES8: LONG TERM EMPTY PROPERTIES</b></p>	<p>To continue to reduce the number of long term empty properties.</p>	<p>To achieve additional New Homes Bonus (NHB) income and potential additional council tax income.</p>	<p>Work to identify empty homes and bring them back into use has seen the number of empty properties across East Suffolk reduce from 1633 to 1060. The Council has also introduced a new streamlined process for dealing with empty homes and has recently purchased its first long term empty home in order to bring it back into use.</p>
<p><b>ES15: LEISURE SERVICES FINANCIAL SELF-SUFFICIENCY</b></p>	<p>To pursue service developments and initiatives intended to reduce costs and / or increase income.</p>	<p>Increased access to quality leisure, cultural facilities and activities. Achieving a substantial reduction in the net cost of Leisure Services.</p>	<p>The Deben Leisure Centre reopened in June 2018 following a full refurbishment and investment of £3.5m. This was the first project to be completed in a five year programme to improve leisure facilities. The work also completed the majority of outstanding preventative maintenance work that was required over the next 20 years.</p> <p>Work is also underway on the £3.5million refurbishment of Leiston Leisure Centre and a business case for the redevelopment of the Bungay Leisure Centre.</p>

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<b>ES20: RECYCLING PROMOTION</b>	Promotion of Recycling and reduction of net expenditure through reducing costs and / or increasing income.	To continue to promote and encourage recycling across East Suffolk through a financially sustainable service.	<p>The Suffolk Waste Partnership (SWP), of which the Council is a member, continues to promote recycling services (including home composting) across Suffolk, using a variety of communication campaigns and medias, jointly supported by equal funding from all SWP member authorities. The SWP has recently secured funding from DEFRA for 15 'smart' litter bins to be installed on the county's trunk roads in an effort to reduce littering.</p> <p>The Council continues to facilitate the Greenprint Forum and for 2018 the focus has been on plastics, with funding secured to develop and run a programme of activities relating to understanding the plastics industry in our area, reducing plastic waste and promoting effective waste management and recycling behaviours. To date the Council has engaged key stakeholders, including the Marine Conservation Society and the Environment Agency, taken part in 15 public events (8 of which were litter picks), and undertaken litter surveys in both Lowestoft and Felixstowe to identify the key items of litter to enable targeted messaging and campaigns.</p>
<b>ES23: COASTAL MANAGEMENT</b>	Development of a shared coastal management service for East Anglia.	Integrate coastal management expertise with other local authorities to ensure most effective local delivery.	Coastal Partnership East is working across four local authorities to effectively utilise our collective resources to deliver not only a £150m capital investment plan (Inc. Lowestoft £63m scheme) but also coastal adaptation at numerous locations along the Norfolk and Suffolk coastline. There are significant benefits of scale and expertise being derived from being in this partnership.

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<b>ES26: BUILDING CONTROL</b>	Development of a Suffolk-wide commercial Building Control service.	Achieve a resilient and competitive Building Control service increasing net income.	There is now growing momentum within Suffolk to share mutual support within Building Control services in order to create capacity for the service developments the Council needs to undertake. The Council has secured funding of £140,000 to support a shared development and implementation plan. This proposal is integral to our Suffolk-wide approach to developing common services that support good growth. Effective implementation of the approach will inform joint development on areas of common interest/concern, often working with a sector that goes beyond boundaries and helps support stronger and more resilient services across the county.
<b>ES27: LEGAL SERVICES</b>	Development of a shared East Suffolk Legal service.	Achieve greater resilience and net expenditure savings.	A resilient and fully responsive in-house Legal Services Team underpins the priorities and ambitions set out in the Council’s Business Plan. The Team provides expert advice on property, planning, and litigious matters, as well as the usual host of other services provided by a local authority Legal Services Team. This in-house expertise supports our ambitions in terms of house building, commercial aspirations and improved infrastructure to facilitate growth.
<b>ES28: FURTHER TRANSFORMATION IN EAST SUFFOLK</b>	Explore the options for further integration for more streamlined and resilient district services, and evaluate the potential for greater East Suffolk autonomy.	Achievement of further efficiencies and resilience.	The creation of East Suffolk Council from 1 <sup>st</sup> April 2019 will provide greater resilience and sustainability in the longer term and will allow the Council to withstand significant reductions in central government funding. As a single council, the Council will be able to continue to protect and deliver the best possible services for local people, as well as having a stronger voice at regional and national level (and greater leverage) in order to deliver its ambitions in terms of growth, infrastructure and housing.