

## **Harlow Council – Efficiency Plan 2016/17 – 2019/20**

### **The Journey so far**

Harlow Council is committed to improving its value for money for local residents and businesses. Despite the challenges of having some of the most ‘deprived’ neighbourhoods in the region the Council has a track record of taking tough decisions and delivering real changes in its financial and operational performance. Not only did it transform itself from CPA ‘Poor’ to ‘Good’ in three years but it has consistently illustrated its innovation in partnership working and has worked with its community to deliver tangible improvements in its economy, efficiency and effectiveness.

The above can be briefly illustrated by the following:

1. Over the last 10 years the combined efficiencies, savings and income initiatives that have been delivered equate to approximately £22 million (see Appendix One for details). This is equivalent to more than twice the total planned net budget requirement for 2016/17.
2. The management structure at Harlow Council has been reduced from a Chief Executive, four Directors and twenty two Heads of Service in 2004 to a Chief Executive, a Chief Operating Officer and five Heads of Service today. Management overheads have been significantly reduced and are in the lowest quartile of similar Councils whilst operational and financial performances have been transformed.
3. Staff numbers have been reduced from approximately 1,100 in 2003/2004 to less than 400 in 2016/17.
4. The Council was a pioneer for Big Society and has successfully worked with the community to transfer assets and ensure alternative service provision is possible where the Council has had to withdraw. Its award winning self-build for rent scheme is a further example of its innovation
5. The Council has had exhaustive reviews of services to identify opportunities to improve performance and costs through partnership working including the outsourcing of its crematorium and cemetery operations which has levered in extensive private sector expertise and investment and improved significantly customer satisfaction with the service provided.
6. The Council continues to lead partnership working with the voluntary, public and private sectors to deliver £100 + million of major regeneration projects and has, amongst other projects, delivered a new £25 million leisure centre operated by a non-profit distributing trust. Additionally 600 new homes are being delivered with approximately one third of these “affordable”. It has a track record of leveraging public investment to deliver complex projects.
7. The Council works in partnership with its neighbouring Councils, Broxbourne, Uttlesford and Epping Forest Councils, for a range of services including

environmental health, building control, internal audit and initiated a Memorandum of Understanding between the Councils for this purpose. It has also initiated a review of public sector assets within Harlow.

8. The Council was the lead Council, on behalf of the Essex Chief Executives Association, to explore partnership working opportunities for all of the twelve District Councils, the two Unitary Councils, the County Council and the Fire and Rescue Service in Essex. This has led to a number of work streams to improve joint procurement, to re-design service delivery and to drive further improvements in economy, efficiency and effectiveness.
9. Huge progress has been made in tackling anti-social behaviour, in re-defining how the Council, the Police and partners work with the voluntary sector and in encouraging people to take responsibility for themselves and their neighbourhoods.
10. The Council's General Reserve will be approximately £3.8 million at 31 March 2017. This compares to a recommended minimum level of General Reserves of £2.5 million. There is no scope to use reserves for on-going expenditure. Other reserves are earmarked for specific purposes and have already been reviewed.

## **The Challenge**

Successive Spending Reviews will have reduced the Council's core Government support by 71% by the end of the four year deal period. This converts to projected savings requirements for the Council since 2007/08 of £22.1million, over twice its net annual budget.

Against this fiscal backdrop the Council has not been dilatory in cutting its costs and has already done much of what the Government wants Councils to do to improve performance, to reduce costs and to work with the private and voluntary sectors, to be innovative and entrepreneurial. It does not have large reserves to draw upon but it does have a consistent track record of delivery. Despite all of the challenges that it has faced it has protected front line services. It has been, and wants to remain, ahead of the 'game'. In recognition of these achievements and to support this track record, the Councils external auditor, Ernst & Young LLP have commented in their 2015/16 Value for Money assessment that –

“The Council's latest Medium Term Financial Strategy identifies a cumulative budget gap in the financial years 2016/17 to 2018/19 of £3.4million and was updated in January 2016. The assumptions made in the MTFs are reasonable and prudent. For example the council does not rely on as yet uncertain funding streams to balance its base budget.”

There are no easy ways to achieve the savings required but the Council has set out its priorities and detailed how it will aim to achieve them within its Corporate Plan 2016 – 2019 which is available via the following link –

<http://www.harlow.gov.uk/sites/harlow/files/documents/files/Corporate%20Plan%20V4.pdf>

The Medium Term Financial Strategy 2016/17 – 2019/20 is also available and details the financial challenges and confirms the figures detailed above –

<http://moderngov.harlow.gov.uk/documents/s6728/Appendix%20B%20-%20MTFS%202016-17%20to%202020-21.pdf>

## **A Way Forward**

The Council has not been complacent and its Corporate Plan sets out the ambition it has to further improve Harlow as a place to live and work and to enhance the life opportunities of its residents. In planning to meet the financial challenges the Council has a number of key initiatives that it is currently progressing including –

- The creation of a single shareholder trading company to take on responsibility for the repair and maintenance of the Council's 10,000 houses and other property assets from 1 February 2017. It will also be responsible for delivery of environmental services to maintain open spaces and recreational areas within Harlow.
- The approval of a Customer Services Strategy and action plan to transform the way that the Council interacts and provides services to its residents and businesses. This project will run for a two year period and will involve investment to deliver improved services and cost savings in the medium term.
- The Council is working proactively with a range of partners including its neighbouring Councils, its Local Enterprise Partnership, Government Departments and the London Stansted Cambridge Corridor Consortium to facilitate the delivery of local housing and wider economic regeneration in the area. Whilst there is no financial gain factored into the Council's MTFS at this time it is anticipated that the growth that this work could generate will all assist in the medium to long term especially in light of the proposals for 100% retained business rates in the town.
- The Council is currently completing a full stock condition survey of its non-housing assets with a view to rationalising its property asset stock, reducing costs but investing where it deems there is an economic or community advantage in doing so. The survey is due to be completed in early 2017 with a view to outcomes being reflected in the financial planning process for 2018/19 and future years.

The above outlines a range of initiatives as part of its Efficiency Plan that the Council will be either commencing or continuing in the short to medium term which sit alongside its continued drive to identify efficiencies within its ongoing operations. The Council has clearly demonstrated, by its achievements over the past ten years in dealing with the significant reductions in central funding, that it will use the certainty of a four year deal to achieve further efficiencies to enable it to operate within the finance available.