



Financial Sustainability Plan 2016-2020

1. Background

- 1.1. The Final Local Government Finance Settlement for 2016-2017 included a multi-year funding offer to fix the allocations for certain funding streams for a four year period. The Borough Council of King's Lynn and West Norfolk welcomes this opportunity to gain a greater degree of certainty about future funding levels.
- 1.2. The certainty funding allocations relate to the following funding streams, which amount to £8m for the Council over the four years of the offer:

	Estimate 2016/2017	Projection 2017/2018	Projection 2018/2019	Projection 2019/2020
	£m	£m	£m	£m
Revenue Support Grant	2.77	1.86	1.27	0.61
Rural Services Delivery Grant	0.46	0.37	0.29	0.37
Total	3.23	2.23	1.56	0.98

- 1.3 On 10 March 2016 the Government provided further details about the criteria for Local Authorities wishing to secure this four year funding allocation. This includes a requirement for the preparation of an "Efficiency Plan". This Financial Sustainability Plan for the Borough Council of King's Lynn and West Norfolk therefore responds to the Government's offer.

2. The Council's Corporate Business Plan

- 2.1. The Council publishes a Corporate Business Plan which sets out the broad framework for the Council's aims for the period covered by the plan. Following the local elections in May 2015, a new Corporate Business Plan was developed, and agreed by Council in January 2016.
- 2.2. Our top priority is to secure the long-term economic future of the borough. We are focused on proving the support that businesses need to start up or relocate here and successfully develop. Businesses need to attract employees with appropriate skills and housing for them to live in. This is why we are driving forward with housing growth that will help ensure local people can access housing that meets their needs. This has to be backed with improvements in road, rail, broadband and mobile infrastructure that will attract people to the area and encourage business growth.

- 2.3. Businesses need to be able to access and draw on a skilled labour pool to support this growth and development, in turn driving up employment and wages. We need to support this by encouraging the provision of a range of leisure, arts, shopping and sports activities that provide people with an outlet for their leisure time and disposable income. All of this helps improve the overall quality of life for those who live and work in West Norfolk.
- 2.4. The plan outlines six priority aims, supported by 18 key objectives in areas of key importance to the authority. The six priority aims within the new plan are:
1. Provide important local services within our available resources
 2. Drive local economic and housing growth
 3. Work with our communities to ensure they remain clean and safe
 4. Celebrate our local heritage and culture
 5. Stand up for local interests within our region
 6. Work with our partners on important services for the borough
- 2.4 The Corporate Business Plan is published on the Council's website and can be accessed from the following link

[Corporate Business Plan 2015/16 to 2019/20](#)

3. Medium Term Financial Plan

- 3.1. We have delivered improvements in quality of life in West Norfolk over recent years whilst operating in an environment of reducing public sector resources.. We have responded quickly to this, taking difficult decisions where necessary, using the resources we do have as efficiently and effectively as possible, and implementing innovative solutions to problems. We have met our budget challenges so far by
1. undertaking a programme of service and corporate reviews to reduce costs. As a result we have changed, reduced or stopped services altogether where it makes sense to do so. For example we have offered different ways to access services, shared services and management with other organisations, formed a trust to operate our leisure and arts services and made savings on contracts such as refuse and recycling.
 2. generating income in more commercial services, for example by offering our CCTV and car parking operations to others, in turn reducing our 'back office' costs.
 3. securing third-party income (and grants) wherever this supports our priorities for the area, including Heritage Lottery Funding for the Tuesday and Saturday Market place works and improvements to the town hall and the Townscape Heritage Initiative.

- 3.2 Public sector funding will become ever tighter throughout the four years to 2019/20. This is the financial reality within which we continue to operate. Our priority for the way the council does business is therefore to operate within our means. We will continue to look closely at what really matters to the citizens of West Norfolk and focus our resources accordingly. Our staff have, and continue to, respond positively to these challenges and we will continue to support them to work flexibly and develop their skills in priority areas.
- 3.3 The Borough Council of King's Lynn and West Norfolk continues to face significant financial pressures due to reductions in the Revenue Support Grant along with greater volatility in income streams, particularly business rates. The new arrangements for business rates retention from 2020 have not yet been finalised and it is hoped that the funding mechanism for Internal Drainage Board Levies will be addressed as part of this process.
- 3.4 In November 2015 the Comprehensive Spending Review set out the strategic direction for public expenditure. The Council has a good track record of delivering change and over the last eight years, the Council has identified and delivered significant efficiencies, including revenue budget savings of £7.6 million. Despite this, the continuing budget deficit highlighted in the Financial Plan 2015-2020 shows a shortfall in 2019/20 of £2.5million. To meet this challenge, significant changes are required to transform how the Council provides frontline services and works to achieve the priorities set out in the Corporate Business Plan.
- 3.5 A robust process of identifying proposals to address the continuing budget deficit has been underway since the Autumn 2015 with the focus on the following:
- Continue to examine all operational service areas to identify achievable revenue cost savings through delivering services in different ways, reductions in service level, increasing income and reviewing discretionary expenditure. Some of the identified areas include channel shift, joint and shared working arrangements and sharing office space.
 - Identify capital investment opportunities to maximise the use of our assets, generate a revenue return, in excess of that achieved from traditional banking investments, promote housing development, increased council tax base and new homes bonus, promote local economic and business growth and increased business rates. Some of the identified areas include a major housing project, commercial investment and development, review of car parking strategy.
 - As a lower quartile Council, increase Band D council tax by £5 per annum from 2017/2018 in line with government expectations.

- 3.6 Work will be undertaken to produce the changes required to deliver the savings identified, before 2019/20. The work being completed, and therefore the savings being generated, will be monitored closely in order to achieve the savings target.
- 3.7 A key aim of the Medium Term Financial Plan to ensure a balanced budget over the medium term to support forward planning and help mitigate financial risk. The Government's announcement of four year funding allocations provides a welcome degree of additional certainty for the Council's medium term financial planning. Significant uncertainty still remains around those areas of funding not included in the offer, and the impact of the localisation of business rates by the end of this parliament.
- 3.8 The Council's current Medium Term Financial Plan was approved in February 2016. The plan includes the Revenue and Capital estimates and can be found on the Council's website at the following link

[Financial Plan 2015-2020](#)

4. Work with our Partners on Important Services for the Borough

- 4.1 The Council works closely with a wide range of partners in the public Sector and beyond. These joint working arrangements are one of the key priorities identified in our Corporate Business Plan which aim to:
- Continue to support improvements in the educational attainment of our young people
 - To work closely with partners in health and adult services to improve services for older people
 - To support 'early help' initiatives aimed at preventing problems from arising in the first place
- 4.2 The Council is working with all Norfolk District Councils, the County Council, NHS, Police and new Anglia Local Enterprise Partnership to deliver a One Public Estate (OPE) programme for Norfolk.
- 4.3 The Council is working with Norfolk County Council, District and neighbouring Councils to collaborate and deliver services in the most effective way, including progressing the implementation of the East Anglia devolution agreement for Norfolk and Suffolk.

5. Summary

- 5.1 The offer of a four year funding allocation provides the Council with the opportunity to plan service delivery and changes to services with a greater degree of confidence. The overall reductions in the Council's Settlement Funding Assessment set out in the four year settlement remain extremely challenging.

The Financial Sustainability Plan is approved by the Borough council of King's Lynn and West Norfolk at its meeting 29 September 2016.

Signed

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Leader of the Council

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Chief Executive