

## EFFICIENCY STRATEGY 2016/17 TO 2021/22

### 1 BACKGROUND

- 1.1 The predecessor Councils' first Efficiency Strategies were 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 Strategic Plan and particularly supports the theme of Financial Sustainability.
- 1.4 The East Suffolk Strategic Plan focusses on the five key themes of:
- Economic Growth
  - Enabling Communities
  - Financial Sustainability
  - Digital Transformation
  - The Environment
- 1.5 As the plan is developed, new projects will be identified to deliver on these key themes and included in an updated Efficiency Strategy if eligible.

### 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 is produced annually for the period 2016/17 to 2021/22, and is approved by Full Council as part of approval of the Council's Budget. If required, a revised Strategy is 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 sixth annual Efficiency Strategy prepared since the guidance was issued.
- 3.2 Key Financial Sustainability projects will be monitored by the Finance Theme Delivery Group.
- 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 2021/22**

- 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 2021/22. 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 some projects identified from the East Suffolk Strategic Plan included in this Strategy as being eligible for capital receipts funding are summarised below, with a description of the project and project objectives. This list is not definitive and further potentially eligible projects could be identified during the course of the year

| Strategic Plan Theme   | Project/programme                             | Overview  | Project detail/update   |
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| <b>Digital Transformation</b>  | <b>Civil Parking Enforcement System (CPE)</b> | Implementation of a new Parking system to cover CPIE and all parking related processes such as parking permits, PCNs, appeals.  | 80% complete  |
| <b>Digital Transformation: Lean and efficient streamlined services</b> | <b>Channel Shift Overall Programme</b>        | Over-arching programme to oversee channel shift – the movement of traditional forms of contact and processes to digital means, free-up vital resources to assist those who cannot use digital channels or have more complex enquiries. This includes online services such as self-service portals, e-forms, payments and also other means of communication such as income/outgoing post – linking to the data workstream with the ambition to create a channel shift dashboard.                       | <p>Self-service/web continuous improvement project enhances the self-service ability of ESC’s website and other ongoing improvements for usability and function.</p> <p>Customer services telephony review project – reviews how we structure the main incoming call menu, wording used, routing calls to specialists and generally the way in which the customer service call centre is using the telephony system.</p> <p>Investigation underway on merits of introducing other customer service communication tools such as webchat. Bin Collection lookup project looking at improvements to the bin collection/day finder look up on ESC’s website. Mystery shopping project being reviewed.</p> |
| <b>Digital Transformation: Lean and efficient streamlined services</b> | <b>Orchard Tenants Self Service portal</b>    | <p>Implement Orchard Digital Tenancy to move tenant rent accounts online and create a new digital channel for tenants to access their rent information. It also includes rolling out Orchard text messaging for rents creating a new digital channel for communications with Tenants.</p> <p>Phase 2 – Implement Orchard Digital Self Appointment Repairs. This will provide a new digital channel for tenants to report responsive repairs and move traffic away from telephone-based reporting.</p> | <p>Phase 1 – 75% complete</p> <p>Phase 2 – not yet started</p>  |

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| <p><b>Digital Transformation: District wide digital infrastructure</b></p>     | <p><b>District wide digital infrastructure</b></p>        | <p>Digital infrastructure for the benefits of residents, businesses and visitors and actively support the deployment of fibre broadband infrastructure across the district</p>                            | <p>Smart Towns Initiatives: Establishing smart towns across the district, beginning with a pilot in Framlingham and the rollout across other towns to attract economic and community benefit.</p> <p>Enabling Broadband Project and Suffolk Better Broadband. Just over 96% of all Suffolk properties can now access high speed broadband, work has started on Phase 3 which will increase this to 98% by September 2022.</p> <p>Suffolk Cloud Project – new network infrastructure project to provide fast, highly flexible network connections to over 300 public sector sites in Suffolk. This will enable the private sector and partners to consider adding connections that over time, will over a full-fibre service to business and provide a platform for Fibre to the Home (FTTH) initiatives, such as the Lowestoft full fibre rollout.</p> |
| <p><b>ENVIRONMENT</b></p>  |   |   |  |
| <p><b>Environment: Lead by example/protection, education and influence</b></p> | <p><b>East Suffolk Council Climate Emergency Plan</b></p> | <p>Development and delivery of East Suffolk Council corporate climate emergency plan to enable the Council to work towards its aspiration of making its estates and operations carbon neutral by 2030</p> | <p>Supporting development and delivery of Solar Together Suffolk Phase 3 through the Suffolk Climate Change Partnership, enabling householders to access affordable solar PV installations for their homes through a collective purchase scheme.</p> <p>Facilitating the Greenprint Forum enabling development and delivery of community environmental projects inspired by its members. Active and Sustainable Travel project. Plastic Action project.</p>  |
| <p><b>Environment: Lead by Example</b></p>                                     | <p><b>Housing</b></p>                                     | <p>The core projects that housing will be focussing on which will help to deliver our environmental goals (plans for new build,</p>   | <p>a) Commitment to deliver the ESC Housing Development objective “Directly provide, facilitate and enable good quality affordable housing which</p>   |

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|  |  | <p>improvements to existing housing stock in terms of insulation and renewables, the Warm Homes project, enforcement of energy efficiency standards in the private rented sector.)</p> | <p>sustainably meets the current and future needs of local communities throughout East Suffolk.”</p> <p>b) Develop a Minimum Energy Efficiency Standard (MEES) for both new build and existing housing stock is being developed for consideration and adoption by Members.</p> <p>c) Roll out a longer-term upgrade and stock rationalisation programme for existing HRA stock following adoption of the Councils MEES.</p> <p>d) Procurement Project and Market Engagement to secure new delivery partners who specialise in Greener Housing Delivery.</p> <p>e) Pilot new build housing schemes to demonstrate how affordable housing can be delivered through a fabric first approach (Deben High School Site) seeking to lead by example</p> <p>f) Working with developers to encourage sustainable design both within their affordable and private housing delivery.</p> <p>g) Amendment to Renovation Grant policy to encourage greater installation of energy efficiency measures – subject to adoption by Cabinet in October.</p> <p>h) Joint Suffolk bid to be part of the Green Homes Fund - local Authority Delivery programme (outcome pending).</p> <p>i) Promotion of insulation, first time central heating, and other energy efficiency grants via Warm Homes.</p> <p>j) Enforcement of The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 or MEES against Landlords.</p> |
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|                           |                          |   | <p>k) Ongoing improvement programme to enhance external amenity space for residents within existing developments. Project will result in creation of accessible and valuable outside space for promotion of health, wellbeing and biodiversity.</p>   |
| <p><b>Environment</b></p> | <p><b>Operations</b></p> | <p>The core projects contributing to the Environment Theme are:</p> <ul style="list-style-type: none"> <li>a) Fleet sustainability</li> <li>b) Grounds Maintenance Review</li> <li>c) Review Waste Strategy in line with RAWS</li> <li>d) Improvements to Sustainability of Assets</li> </ul> | <p>Work with the Suffolk Waste Partnership to develop and deliver collaborative projects including:</p> <ul style="list-style-type: none"> <li>• Food Savvy scheme to tackle food waste in the home.</li> <li>• Home Composting Subsidy scheme to provide affordable home composting systems to householders enabling them to deal with their compostable waste in the most environmentally sustainable way.</li> <li>f) Nature conservation area project implementing a sympathetic management strategy to selected verges and open spaces to create benefits for wildlife with a target to create a network of 100 conservation areas by 2021. This also includes sustainable management of cemeteries and our own buildings, particularly East Suffolk House where landscaping and installation of swift/bat boxes has taken place.</li> </ul> |