

EFFICIENCY PLAN 2016-2020

WIRRAL COUNCIL

1.0 INTRODUCTION

This Efficiency Plan supports Wirral Council's acceptance of the Government's offer to agree a four-year financial settlement, covering the period 2016/17-2019/20. This four-year settlement allows the organisation to have greater certainty of funding, enabling improved financial management and longer term planning of service transformation.

Over the past five years Wirral Council has responded to the financial pressures we have been faced with by making significant changes and reductions to services. A combination of rising demand and reducing resources has forced us into a position where we need to be innovative and radical in setting a sustainable, legal budget while still providing the services which residents rely on. We have been able to deliver savings in excess of £150 million through more efficient and effective use of our resources.

The Council has made the decision to accept the four-year settlement offer to ensure in the future it is able to count on more certainty in relation to financial support and is therefore better placed to plan long term and deliver our Medium Term Financial Strategy, alongside our ambitions for our borough.

2.0 OUR AMBITION FOR WIRRAL

We are ambitious for Wirral. In June 2015, Wirral Council unanimously agreed a new plan for the Council (The Wirral Plan), containing '20 Pledges for 2020'. This Plan was subsequently adopted by all partners, who committed to working together towards a shared set of outcomes and goals. The Wirral Plan is structured around three core themes: People, Environment and Business.

The Wirral Plan can be found on our website: www.wirral.gov.uk/wirralplan.

We have further developed a suite of underpinning strategies which will guide and drive the delivery of the Wirral Plan. These strategies are all – without exception – developed and agreed at a partnership level, with their focus and goals shared by all appropriate agencies in the public, private and third sectors.

These strategies are also available on our website: www.wirral.gov.uk/wirralplan.

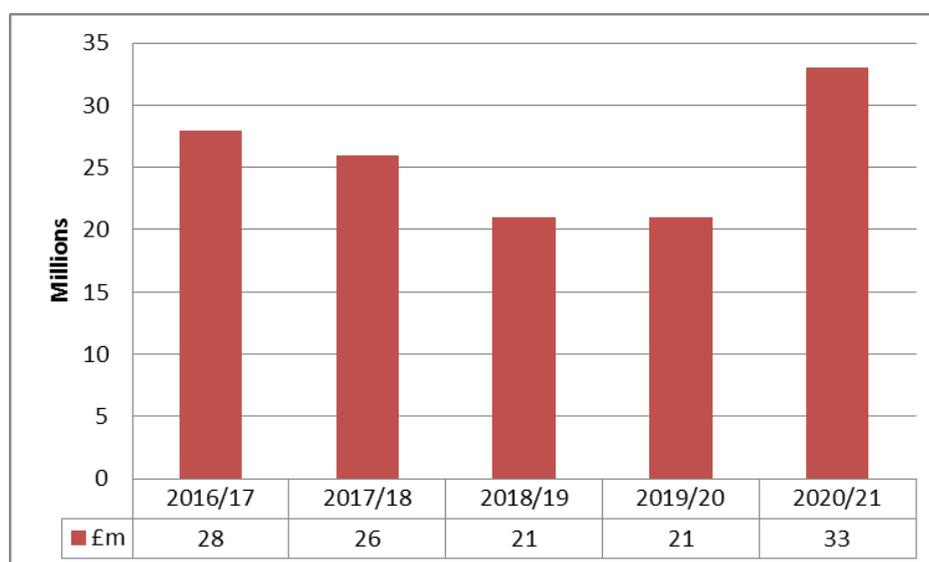
Our Wirral Plan, its 20 Pledges and the ambitious strategies we have developed over the past year will require a major shift in how the Council is organised and goes about its business. We have reported on our progress so far, through our [Annual Review for 2015/16](#) and are committed to continually reporting our progress back to our residents, partners and other stakeholders.

3.0 DELIVERING CHANGE

This Efficiency Plan is rooted in our five year Medium Term Financial Strategy (2016/17-2020/21), which can be found on the [Council website](#). All details of our budget and Council Tax levels for 2016/17 can also be found [on our website](#).

Our Medium Term Financial Strategy focusses on ensuring resources are targeted towards achieving the 20 Pledges articulated in our strategic plan for the borough, while operating within the reduced financial envelope we have available. The total budget deficit for the MTFS period was anticipated to be £129 million, with greater pressure being faced in the earlier part of the period.

The projected MTFS budget gap across all five years is described in the chart below.



Wirral Council continues to seek to safeguard those services which it considers to be its highest priority and the approach for the period of the MTFS will be to minimise cuts to services which impact on – particularly – our most vulnerable residents. In 2016/17 the budget deficit was closed and the budget balanced through a strategic, prioritised and themed approach to achieving major savings. The Council took tough decisions but through a structured approach. Our latest predictions for the MTFS period show that pressures are increasing especially in the area of social care.

Latest Predicted Four Year Budget Gap

Budget Gap	2017/18	2018/19	2019/20	2020/21	Total
	£44m	£26m	£25m	£37m	£132m

We will take a similarly structured and strategic approach our budget setting process for coming years. The changing circumstances in which the Council and partners operate means there is a demand to take a longer-term and high-level view of what Wirral will look like and need in the future, and require us to maximise every possible opportunity to innovate.

Income & Growth

We must do all we can to build our way to a stronger financial position. Maximising our income to offset the requirement for cuts is incredibly important to our strategy. We know every pound we generate is a pound which we can invest in securing the kind of modern public services people need. We will not achieve this through simply charging more for services; we will actively seek to increase investment, jobs and housing in the borough. This translates into higher levels of business rates, Council Tax and people in work. Birkenhead and the immediate surrounding areas are our key investment sites; prime development locations which we believe can place Wirral firmly at the heart of the Northern Powerhouse.

Managing Demand

Along with large parts of the UK, Wirral is facing increasing pressures in both adults and children's social care through increasing demand. Our aim is to reduce demand (and subsequently the cost) of specialist, substantial services through investing in early intervention and prevention services. We are progressing with major integration projects with colleagues throughout the health sector, in areas such as commissioning, community services, mental health services and support for older people. Protecting our most vulnerable residents has been and remains our number one priority.

Delivering Differently

The Wirral Plan sets out how public services will work together to deliver our ambitions for Wirral. The 20 Pledges represent not just a step-change in what will be delivered, but also how we will go about it. We understand our current model for delivering public services is not appropriate to meet modern needs, and we are actively pursuing fundamental, large scale service transformation over the coming years.

A full programme of alternative delivery models is in development, which will cover almost all of the Council's directly-provided services transformed to re-focus their delivery on the outcomes we and our partners have agreed. We are also developing new approaches to commercialisation, integration and collaboration with partners.

Service Changes

It is inevitable, when we consider the scale of our financial reductions; we will have to reduce some services. We believe we have done a great deal to mitigate the impact of this, and will continue to work with our partners to ensure any reductions which are needed are managed in a strategic, planned way to ensure we do not lose focus on our overall vision for the borough.

4.0 GOVERNANCE AND STRUCTURE

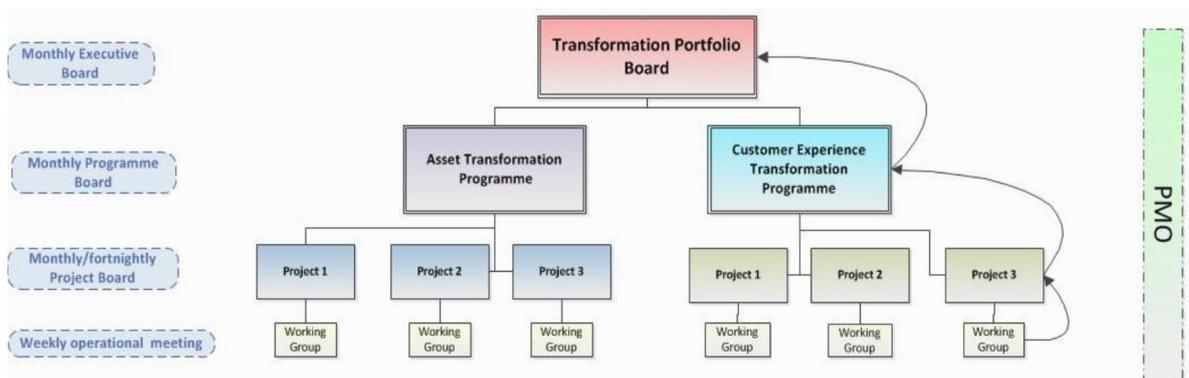
Our approach to delivering major change is directed through a robust Transformation Programme which has two main strands, Customer Experience and Assets, as described in the table below.

CUSTOMER EXPERIENCE	ASSETS
To define and transform services to meet the needs of Wirral residents.	To reform the Wirral estate to be efficient and strategically constructed, to support the 20 Pledges and increase income.
Target areas include: <ul style="list-style-type: none"> ▪ Customer insight and segmentation ▪ Customer contact ▪ Community safety ▪ Integration in adults social care ▪ Children’s services 	Target areas include; <ul style="list-style-type: none"> ▪ Consolidation of office accommodation ▪ Development of ‘One Public Estate’, to encourage better use of buildings by partners ▪ Commercialisation ▪ Service transformation: Libraries, leisure, Floral Pavilion Theatre, parks and open spaces.

Governance

To ensure the work of our Transformation programme is delivered a governance model involving Members and Officers is in operation: this is an on-going activity of maintaining a system of internal control which ensures effective and efficient delivery of the transformation programmes takes place.

Governance: Transformation Programme Structure & Content



New Operating Model

In July 2016 the Council agreed a New Operating Model for the organisation, which included a major redesign of how the organisation was set up. This has dispensed with the traditional, departmental structure and replaced it with a strategically focussed organisation structured around improving outcomes for residents. The reorganisation has placed people in the organisation where their knowledge and skills will be most effective in making transformational improvements and improving our ability to deliver our 2020 pledges.

The framework of the new operating model consists of three main functions:

- Strategic Hub: Delivering Outcomes, with overall accountability for the leadership, direction and effective delivery of the Wirral plan and related delivery plans.
- Business Services: to enable the effective and efficient functioning of the Council and the services it commissions.
- Delivery: Delivering Services, leading on designing, negotiating and implementing appropriate delivery options for a range of services.

The new model also includes a Transformation Office which will support the delivery of the Council's transformation programme. Further details of the new operating model can be found on the Council website:

<http://democracy.wirral.gov.uk/documents/s50035640/Appendix%205%20Proposed%20CO%20structure%20NOM.pdf>

The principles behind the new operating model are as follows:

- Ensure the Council has the skills and capacity to deliver the right outcomes for the people of Wirral and deliver the Council's plans.
- Create capacity for strategic thinking, long-term planning and design of services.
- Separate roles and responsibilities to ensure that the Council has appropriate resources focused on delivering excellent services.
- Create capacity to work in partnership and have a greater influence at local, regional and national level to improve outcomes for Wirral.
- Enable the Council to be make decisions based on evidence and insight to improve outcomes for our residents.

5.0 CONCLUSION

There is clearly a risk our proposed approach will not deliver the level of service and financial change required. We have mitigated this risk extensively, with a robust governance structure through the Transformation Board, supporting Governance structures, the maintenance of adequate levels of reserves and the close monitoring of budgets. We are extremely confident in our plans and approach for the coming four years, and believe the certainty the four year settlement offers will further cement our ability to deliver a sustainable, balanced budget for the entire period while still achieving our plans for Wirral.

There remain, though risks in the period over the future funding that may be anticipated from Business Rates. The 100% retention scheme must be accompanied by a fair redistribution mechanism which reflects the individual circumstances of an area; otherwise in our view the benefits of the four year settlement will be outweighed by the Council becoming financial unviable.

The achievements of this plan will be reported through updates to the Medium Term Financial Strategy. Our approach will require planned and prudent use of reserves as the necessary changes are made. The 2016-2021 periods will see the use of approximately £15 million of the Transformation Reserve and capital receipts to transform services by 2021.

The Council and its partners have a long term approach to the achievement of the 2020 pledges and the financial challenges that remain in the coming years. To achieve strategic change and reposition the Council and its partners will take time. This represents the best outcome for the people of Wirral.

Signed:
Chief Executive
October 2016

Signed:
Leader of the Council