

M A L V E R N H I L L S D I S T R I C T C O U N C I L

# BUSINESS PLAN

2019 - 2024





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Leader  
Malvern Hills  
District Council

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Chief Executive  
Malvern Hills  
District Council

# FOREWORD

Welcome to our updated business plan which is our response to the significant financial challenges that the local government sector faces and, in particular, how our Council intends to address those challenges.

Our ambition as a Council is that we deliver on our priorities and protect services wherever possible. Our five year plan outlines our Corporate Strategy, and our three strategic priorities

- to drive economic prosperity and growth,
- building stronger and healthier communities,
- enhancing our superb environment.

We will see major changes to local government finance from April 2020, a new fairer funding formula coupled with 75% business rate retention, potential new burdens and the phasing out of New Homes Bonus. This coupled with the potential impact of the UK's exit from the European Union means that the next few years will be unprecedented in terms of the importance of the Councils continued financial sustainability.

The plan is a positive and proactive response to those financial and service challenges and we know that we will

have some difficult decisions to make. The actions that we need to take within the business plan are in four key areas:

- Efficiencies
- Partnerships and services
- Investment and growth
- Income generation

We know that if we plan up to 2024 rather than on an annual cycle we will be able to tackle any changes well ahead of time with rigour and with transparency.

We aim to ensure that the impacts of budget reductions on our communities and staff is minimised. We will continue to review this plan annually to ensure it is kept up to date and consistent with any national or local policy decisions that affect the ability of the plan to provide financial sustainability.

# EXECUTIVE SUMMARY

**This business plan is Malvern Hills District Council's response to the significant financial challenges we continue to face and the need to plan ahead in innovative ways for a future with fewer resources. The document establishes how the Council will deliver the changes required whilst maintaining focus on its agreed priorities.**

The December 2018 funding settlement for local authorities confirmed for MHDC the elimination of Revenue Support Grant from 2019/20 but thankfully did not bring about any adverse changes to New Home Bonus (NHB). The Government decided to accept Worcestershire's bid to become a pilot for the 75% retention of business rates in 2019/20, this positive decision will see in excess of £4m of funding being retained within the County to help meet the costs of adult social care. The Government Council Tax cap remains at 3% or £5, whichever is the greater.

Government grant funding will be some £5.4m per year less in real terms by the end of this plan than it was in 2010/11. This equates to losing funding for half of the Council's net budget.

The Council has a proven track record in delivering cost and efficiency savings. Since 2010/11 the Council has made savings and generated income of £5.1m in a variety of ways without making reductions to front line services. However, this means that the 'low hanging fruit' have



gone and we now need to find more innovative ways to meet the on-going reductions in Government funding. The Council will continue to deliver the changes through income generation, cost savings, service changes and collaboration. This coupled with sensible increases in Council Tax will help to preserve the financial sustainability of the Council.

Income generation will focus on use of the Council's property assets to generate a return, expansion of services such as commercial and garden waste and selling services to other councils, for example contract management and financial systems support. Cost savings will focus on the making the best use of council assets, service transformation and flexible working solutions.

Service changes and collaboration will focus on waste and recycling and customer services and further joint working with Wychavon and other councils where beneficial.



# 2019



## 1. **INTRODUCTION**

### PURPOSE OF THE PLAN

This document is our response to the significant financial challenges the Council continues to face and the need to plan ahead in innovative ways for a future with fewer resources. It brings together everything we need to do to maintain financial stability and to continue delivering high quality services to our residents.

This plan describes our underlying strategies that shape the way we work as a council and what we want to achieve. The plan also provides context to our current financial position, outlining where savings of £5.1m have been made to date and how our financial management is perceived by external partners.

The plan also focuses on the challenges we face over the next five years, our business model and our objectives. The plan concludes with our response to how we will meet these challenges and achieve our objectives.

This is a rolling plan, which is updated each year to reflect the changing conditions and operating context of local government. Emerging issues such as the UK's exit from the European Union, and the ongoing financial risks detailed later demonstrate the need to keep this plan up to date. The updated plan will be presented as part of the budgetary cycle in January each year. We will continue to report progress in our annual report which is published in June.

### OBJECTIVES

We have three key objectives in developing this plan.

#### 1. FINANCIAL SUSTAINABILITY

We have a proven track record of financial resilience and building a strong base on which to move forward. However the phasing out of Revenue Support Grant and changing structure of New Homes Bonus funding, volatile performance of business rates and other emerging risks will start to impact upon the council's ability to deliver services if we do nothing. We need to take steps to minimise these impacts and reduce our reliance on traditional sources of funding.

#### 2. DELIVER THE BUSINESS PLAN

This plan identifies a number of actions, to address the issues identified. The actions take account of the risks we face and the priorities identified by the council and will feed through into individual service plans as appropriate.

### 3. PROTECT SERVICES WHERE POSSIBLE

We believe it is key that we protect the services we deliver as much as possible. We have been very successful in achieving this to date but it will become increasingly difficult going forward unless we make the changes identified in this plan.

### HOW OUR PLANS FIT TOGETHER

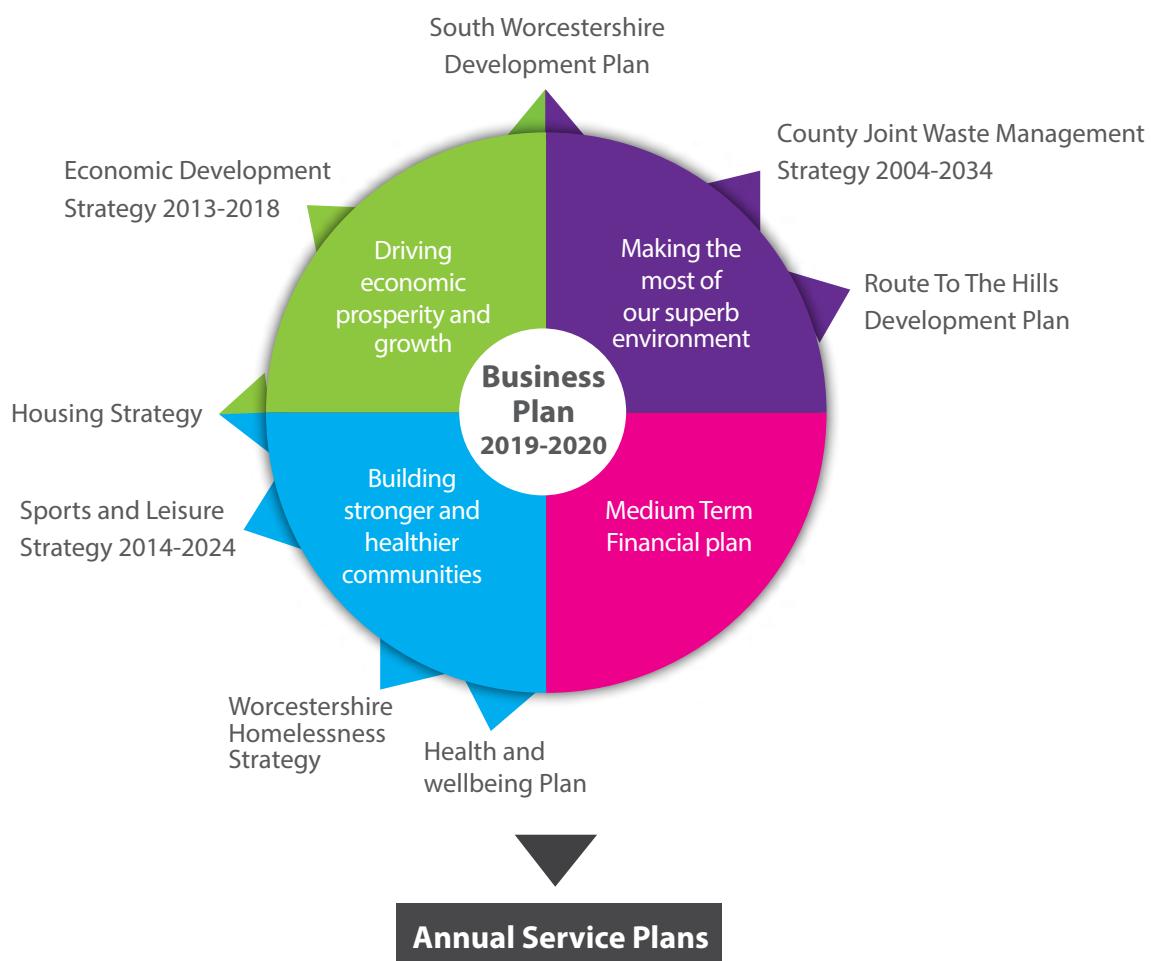
The Council's three strategic priorities for the next five years. are underpinned by specific actions in the five year plan and progress is reported quarterly to members.

Our Medium Term Financial Plan (MTFP) is reviewed annually prior to setting the council budget. The MTFP projects our income and expenditure for the next five years based on assumptions around funding and cost pressures, together with an agreed set of principles to maintain financial stability. This then forms the financial envelope from within which the Business Plan is constructed.

The plan supports the delivery of a number of council plans and strategies including

- South Worcestershire Development Plan;
- Economic Development Strategy 2013-2018;
- Sports and Leisure Strategy 2014-2024;
- Safeguarding Policy;
- Joint Municipal Waste Management Strategy for Herefordshire and Worcestershire 2014-2034;
- Health and Wellbeing Plan;
- Worcestershire Housing Strategy;
- Worcestershire Homelessness Strategy.

The diagram below demonstrates how this business plan supports the council priorities, the delivery of service plans and the MTFP as well as where other strategies and plans fit.



# ABOUT MALVERN HILLS DISTRICT COUNCIL



## THE PLACE

Malvern Hills is a great place to live, work and visit. In the latest Worcestershire Viewpoint Survey, our residents told us that the quality of life in the district was good, with 85% of them believing their local area was a good place to live, which continues to be the highest score in Worcestershire. As a council we work hard to ensure that the district retains its appeal to all residents, businesses and visitors. Our annual report demonstrates how we have achieved this each year.

Some key highlights from our 2017/18 Annual Report are:

- 82% of residents were satisfied with parks and open spaces;
- 57% of residents were satisfied with sports and leisure facilities;
- 80% of residents feel safe or very safe outside after dark;
- We delivered 155 affordable new homes and bought 40 empty properties back into use;
- We saw great progress in promoting physical activities, with more than 448,000 visits to our leisure facilities, including 4,000 visits by under 8s and over 2,500 visits by over 75s under the unlimited free swimming scheme;
- We launched the Bigger Picture Survey – the largest survey of 11-18 years ever undertaken by the council;
- We helped 100 companies grow during the year through business growth and business start up programmes and provided Proof of Concept funding to 8 businesses to support innovation;
- The ongoing expansion of Malvern Hills Science Park has created 43 new jobs;
- We have supported young people in the work place through our apprenticeship, and graduate placement schemes securing 12 new apprenticeships, and 7 graduate placements;
- A new tourism website, virtual tours of the Malverns and a walking app have been launched;
- Launched a new tourism action plan;
- Introduced Public Space Protection Order for dog control and our Green Dog Walkers scheme to tackle dog fouling in the district;
- We received £1.7m in s106 contributions and we are working with the parishes involved to ensure their communities benefit.

## THE COUNCIL

Malvern Hills is a relatively small rural district council in Worcestershire, with four main town settlements (Malvern, Kempsey, Upton upon Severn and Tenbury Wells) and a number of smaller parishes. Residents of the district are represented by 38 councillors.

The Council employs a workforce of approximately 160 staff to manage and deliver services across the following service areas:

- **Economy and Environment** - waste and recycling, grounds and parks maintenance, street cleansing, dealing with littering and fly-tipping, regulatory services, economic development and tourism.
- **Resources** - finance, performance management, procurement, audit services, legal, ICT, revenues and benefits, human resources, health and safety, property and facilities management, car parking, Malvern Theatres, customer services, communications, elections, policy research and consultation, community engagement and democratic services.
- **Housing & Communities** - housing services, community safety, sport and leisure, health and wellbeing, volunteer support, emergency planning, community transport.
- **Planning** – development control, building control, planning policy, conservation, land drainage and land charges.

## Our employees work Our staff work to the Council's values:

- **Great customer service**
- **Improvement and innovation**
- **Openness and accountability**
- **Fairness and respect**

We aim to provide high quality services to residents, businesses and visitors whilst ensuring value for money. Council Tax is set at one of the lowest levels in the country and the 2nd lowest in Worcestershire.

Our five year plan has now been reviewed in consultation with members, residents and stakeholders. The Council's three priorities remain the same but new actions have been introduced.

## PERFORMANCE

We are a high performing council. We monitor and report financial and non financial performance to Overview and Scrutiny and Executive Committees on a quarterly basis. Financial performance is monitored against annual budgets and non financial performance is monitored against pre determined targets and milestones.



# OUR VISION IS: TO MAKE LIFE BETTER FOR EVERYONE WHO LIVES, WORKS IN AND EXPERIENCES THE MALVERN HILLS DISTRICT.

We have made significant savings over the last 5 years. However the on-going challenges we face, mean that we need to become more enterprising and innovative than ever before. Further collaborative working will be critical to our continued success and sustainability.

We have undergone significant change in recent years, most notable recently the appointment of a joint Chief Executive with Wychavon District Council and the creation of a single joint management team. Our staff are pivotal to the delivery of our plans and continuing to be a successful council. In order to keep staff fully informed and maintain motivation regular briefing sessions are held. We conduct bi-annual staff surveys and use the results to make changes and improvements where appropriate.

## FIVE YEAR PLAN

Our five year plan established the following priorities and objectives for the council with specific actions to deliver each year. The plan is updated annually.



### Building stronger and healthier communities by:

- a. Delivering quality and affordable housing;
- b. Improving people's health, in line with the County Health Plan;
- c. Supporting and engaging with communities.



### Driving economic prosperity and growth by:

- a. Bringing forward land and premises for business to grow;
- b. Developing the skills of our young people;
- c. Promoting our area as a centre of innovation;
- d. Improving our infrastructure and broadband speed.

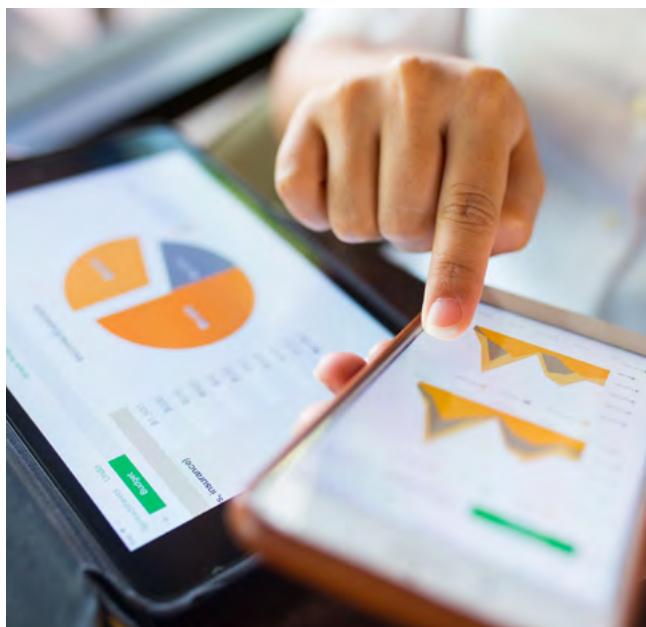


### Making the most of our superb environment:

- a. Improving the natural and built environment;
- b. Making the visitor experience even better;
- c. Working with partners to reduce the impact of flooding.

As a council we aim to deliver these priorities whilst maintaining financial sustainability and protecting services where possible.

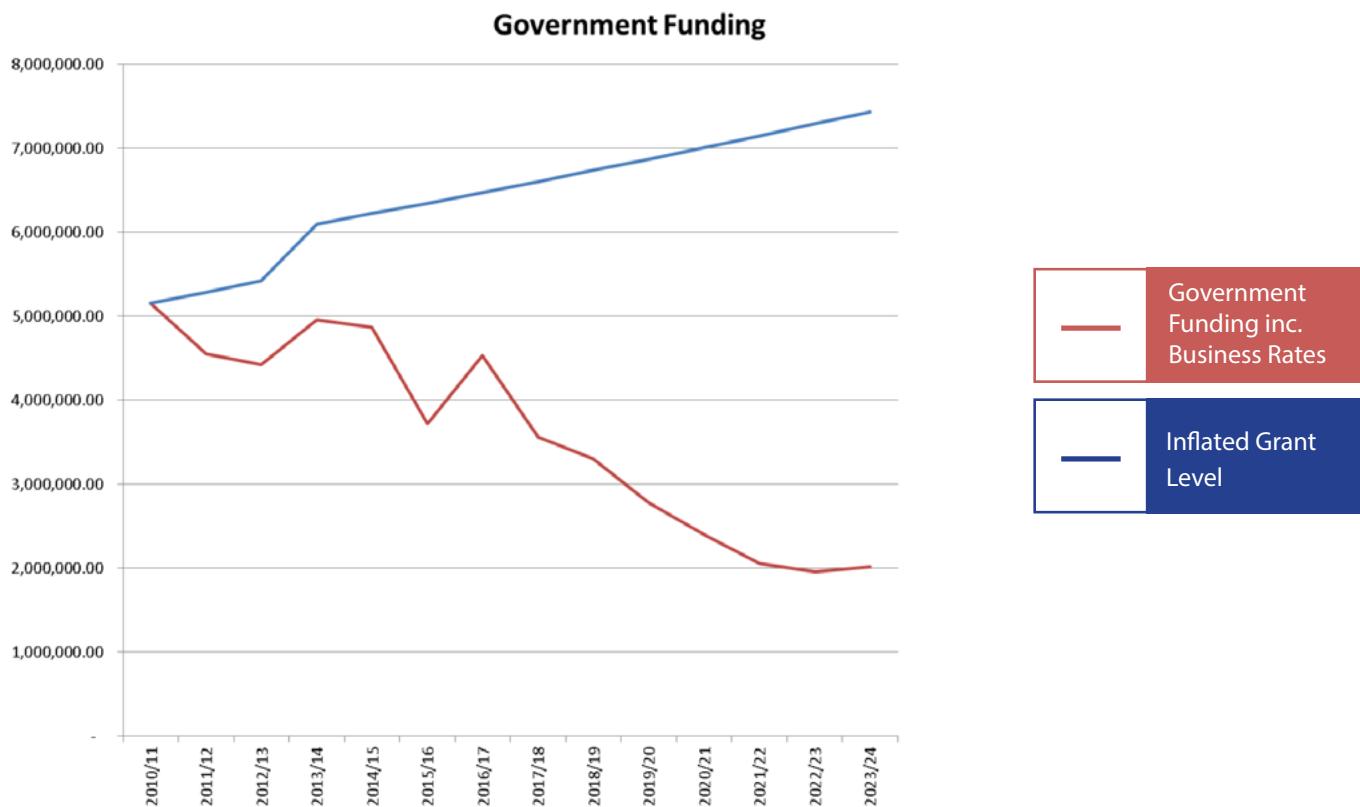
# 2. CURRENT FINANCIAL POSITION



The Council has seen a dramatic reduction in its level of government funding since 2010/11. The graph below shows a comparison between what funding the Council would have received if government grant had increased with inflationary and other changes since 2010/11 and the actual levels of grant received. Including localised business rates, government grant will be over £5.42m per year less in 2023/24 in real terms than if government funding had not been reduced.

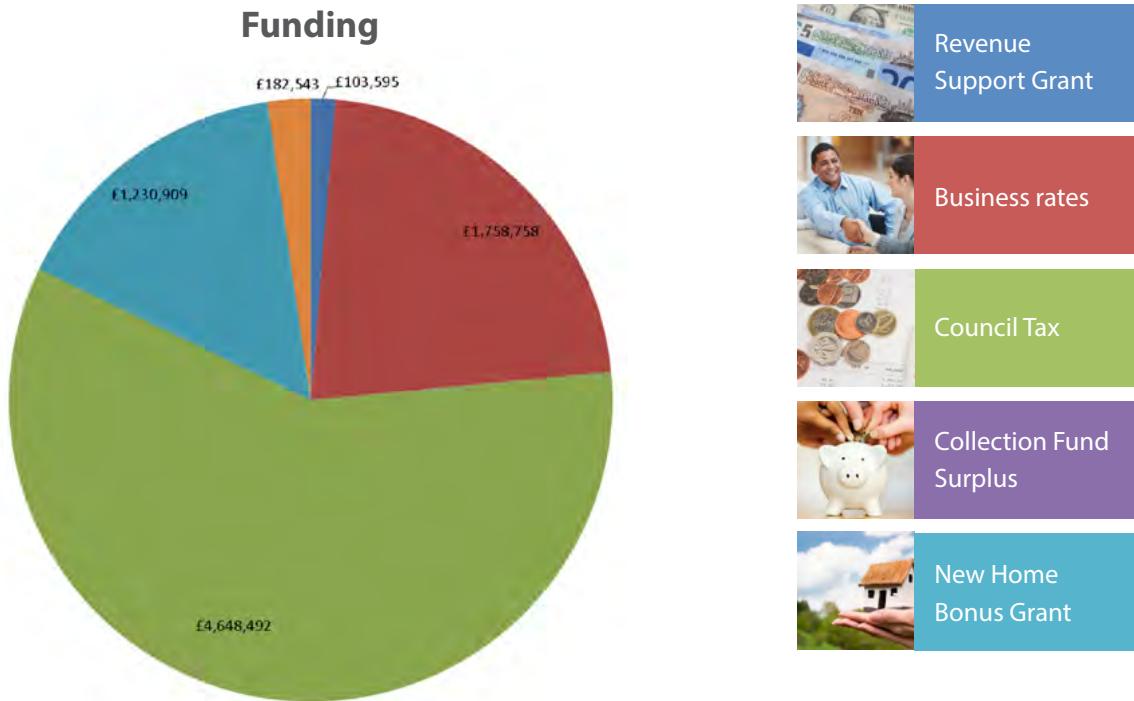
To cope with the reduction in funding the Council has made savings of £5.14m over that period, which has increased our revenue balances by £3.6m. Savings have mainly been generated through efficiencies, joint working and income generation, with less than 1.5% achieved through reductions in service. We have a proven history of delivering savings and are currently in a strong financial position for a council of our size. The table below shows our target savings since 2010.

Description	Target Savings
Service Reductions	£49,600
Efficiencies	£2,320,410
Joint Working	£1,285,610
Income Generation	£1,076,960
<b>Total</b>	<b>£4,732,580</b>

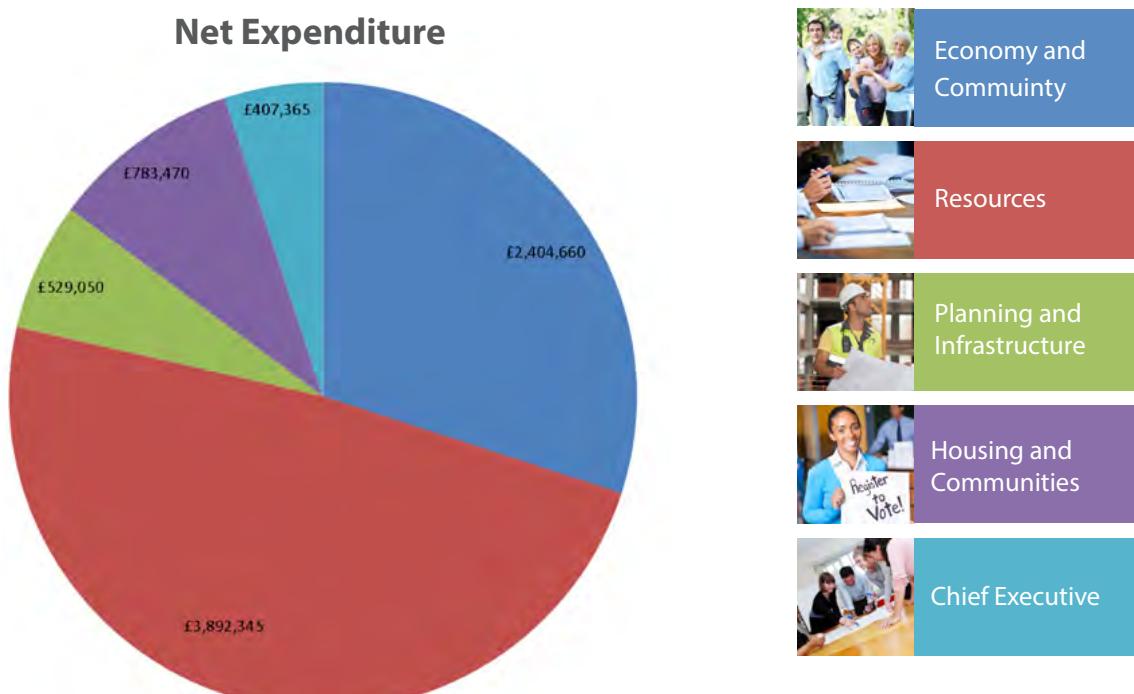


## HOW WE RAISE OUR FUNDING AND WHAT DO WE SPEND IT ON

Our total funding in 2018/19 is £8.0m. With reductions in government funding we are becoming increasingly reliant upon Council Tax receipts as our main source of funding. The chart below shows the breakdown of our funding sources.



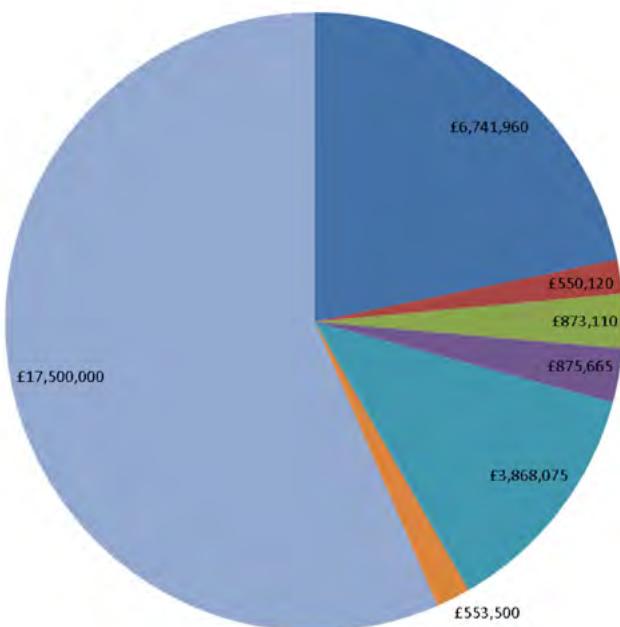
In 2018/19 our budgeted net expenditure incurred on delivering services to our residents is £8.0m. Use of reserves makes up any difference between funding and expenditure.



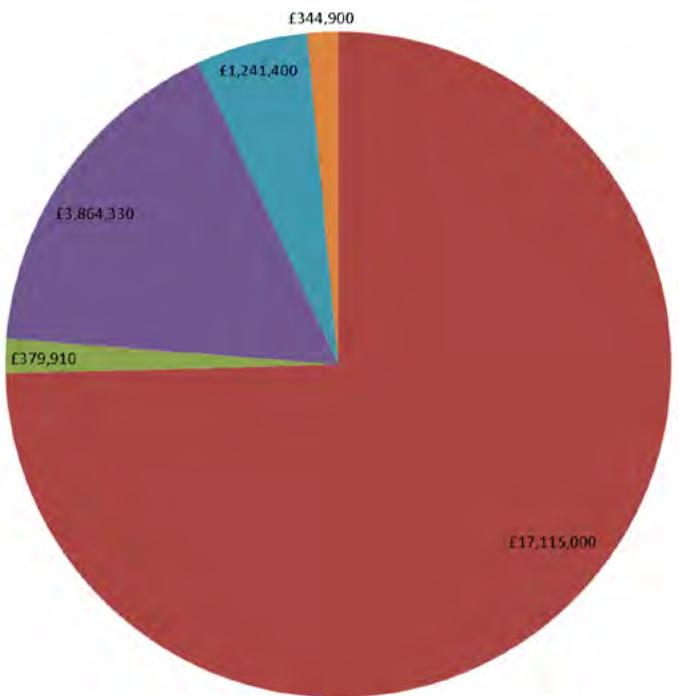
Our budgeted total income and expenditure excluding Government funding is shown in the charts below.



## Total Expenditure



## Total Income



## 2018-19 OUTLOOK

Our achievement of significant savings in previous years gave us a strong financial position for 2018/19. However on-going reductions to Government funding and volatile business rates performance meant that the Council implemented an average £5 per property Council Tax increase for the year.

Our net service budget was agreed at £7,944,390 which was subsequently increased to £8,016,890 following the approval of carry forwards. The budget includes a savings target of £550,000, which we are on target to fully deliver. As in previous years, we are likely to underspend our budget through planned management action.



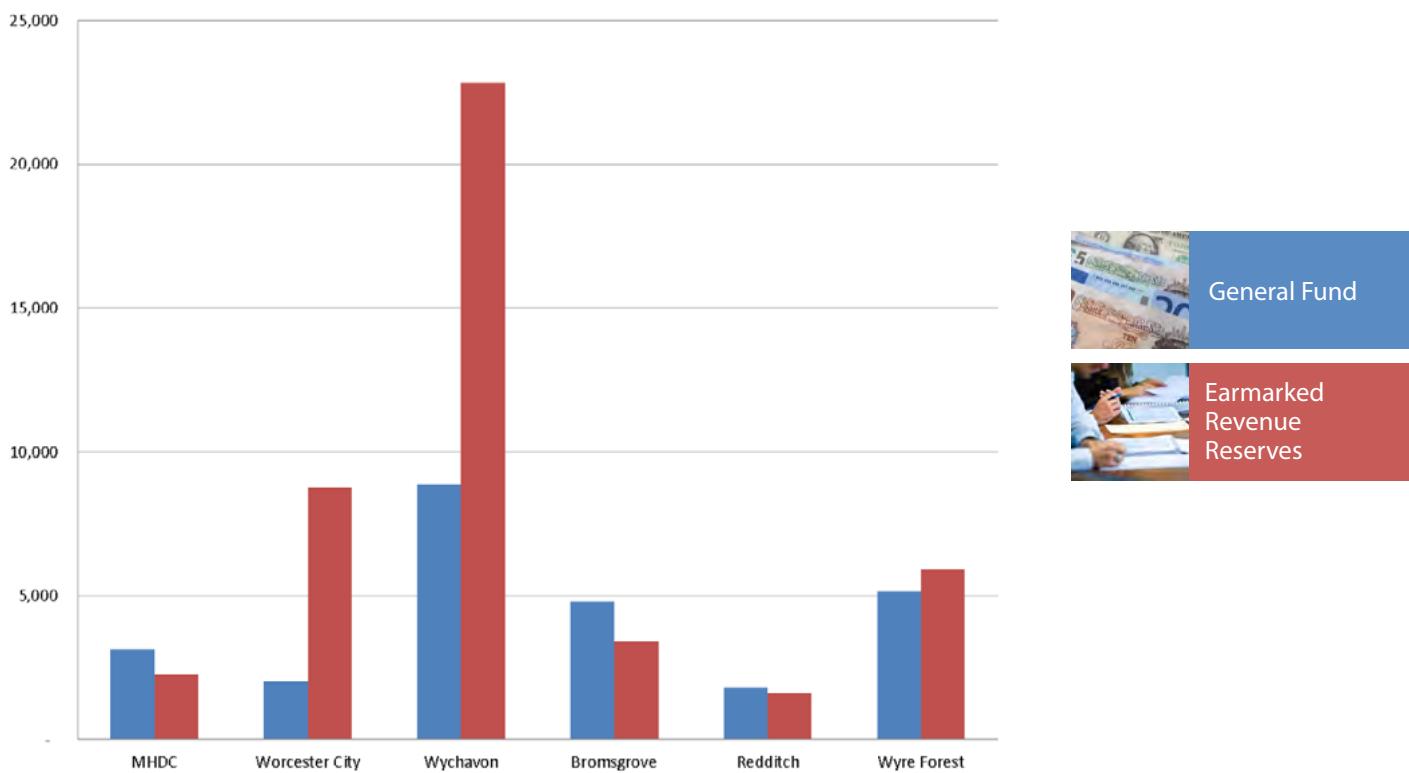
## REVENUE AND CAPITAL RESERVES

We maintain revenue reserves to minimise the impact of unexpected costs to the council and to fund specific initiatives or projects. At 31 March 2018, our general fund balance and earmarked revenue reserves total £5.4m. The graph below compares our revenue reserves levels to those of neighbouring councils.

The doctors' surgeries business rates refunds highlighted the volatility inherent in localised business rates and the risks they pose to the Council's financial sustainability. The proposed localisation of business rates before the end of this plan further supports the need to maintain adequate reserve levels.



### Total Revenue Reserves

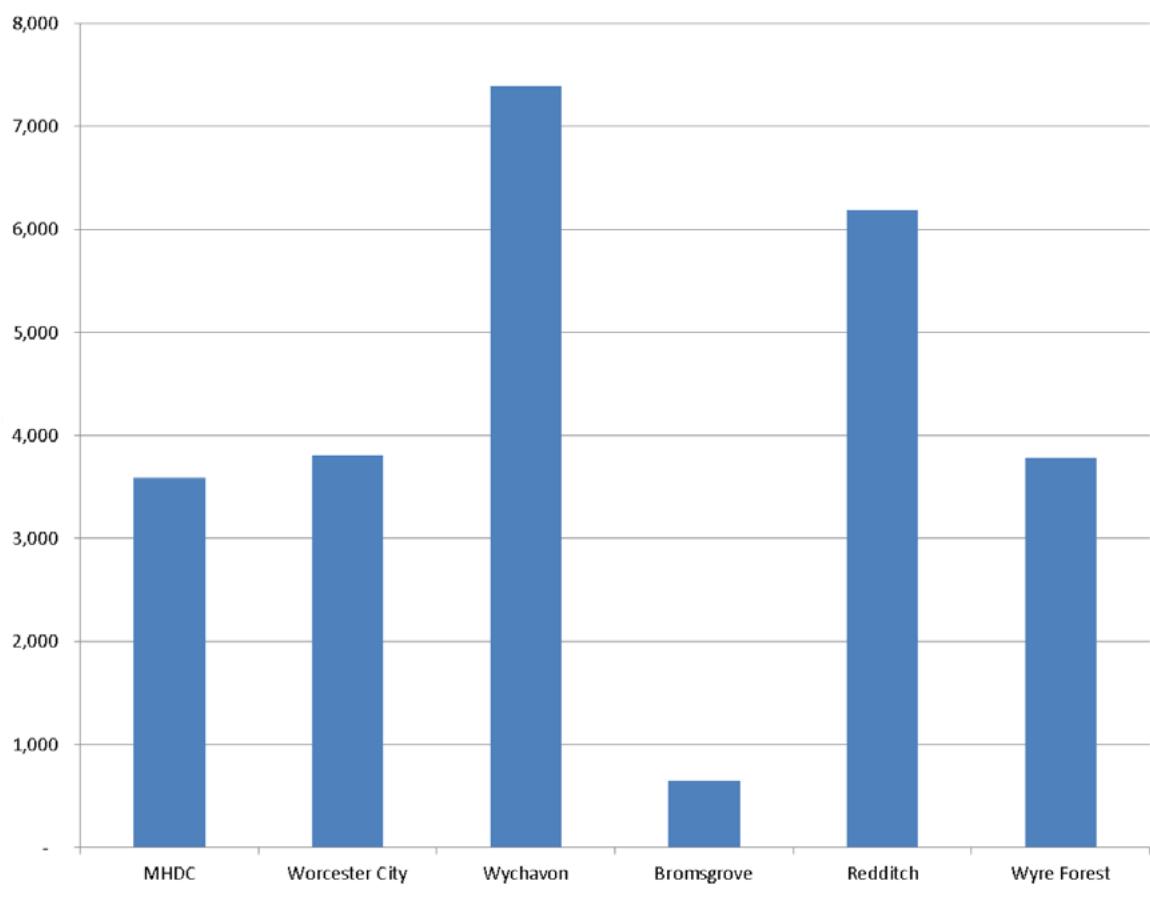


Capital reserves are maintained to fund our future capital expenditure. Historically we have used capital receipts from the sale of assets to fund capital expenditure. However, our asset base is small with few opportunities to generate capital receipts, meaning that we need to add funds into an earmarked capital reserve each year. At

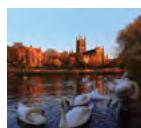
31 March 2018, our capital reserves totalled £3.58m. The graph below compares our capital reserves levels to those of neighbouring councils.



## Total Capital Reserves (£'000)



Malvern  
Hills  
District  
Council



Worcester  
CITY COUNCIL



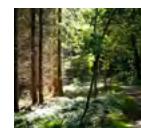
WYCHAVON  
DISTRICT COUNCIL  
good services, good value



Bromsgrove  
District Council



REDDITCH  
BOROUGH COUNCIL  
making  
a  
difference  
[www.redditchbc.gov.uk](http://www.redditchbc.gov.uk)



Wyre Forest  
District Council



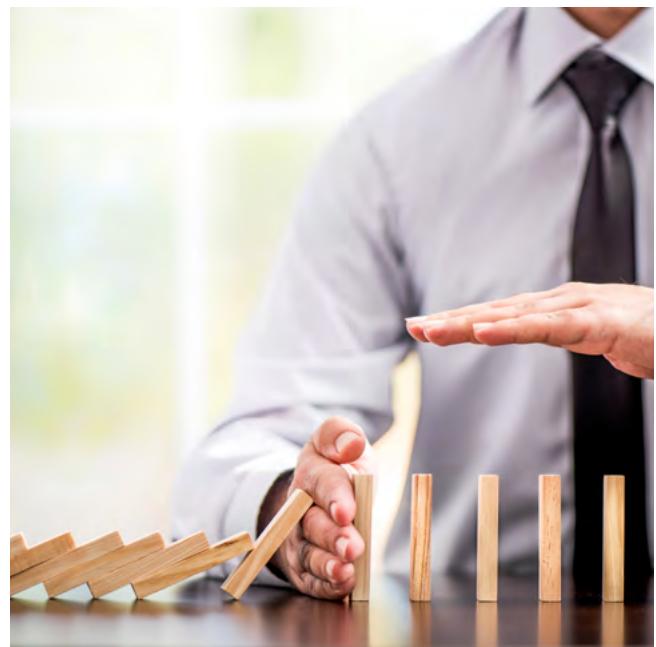
Total Capital  
Reserves (£'000)

## WHAT DO OUR EXTERNAL AUDITORS THINK?

Ernst and Young are the Council's external auditors. Their feedback from the 2017/18 audit included:

- ***"We concluded that you put in place proper arrangements to secure value for money in your use of resources"***
- ***"We did not experience any significant issues or delays as a result of faster close."***
- ***"We did not identify any significant weaknesses in the Council's arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We therefore issued an unqualified Value for Money conclusion on 24th July 2018"***
- ***"Our testing did not identify any material misstatements from revenue and expenditure recognition. Overall our audit work did not identify any material issues or unusual transactions to indicate any misreporting of the Council's financial position."***
- ***"We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Council or brought to the attention of the public. We did not identify any issues which required us to issue a report in the public interest."***

The external auditors report to the Audit Committee three times per year on their audit plan and audit findings.



## THE ROLE & PURPOSE OF AUDIT COMMITTEE

- To assess the adequacy of the risk management framework and the associated control environment based on the information provided by the External and Internal Auditors.
- To provide an independent review of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment.
- To provide assurance that any issues arising from the process of drawing up, auditing and certifying the Council's annual accounts are properly dealt with and that appropriate accounting policies have been applied.



## 3. LOOKING FORWARD

### FUNDING OVER THE NEXT FIVE YEARS

We continue to face significant challenges as we move forward. Funding from Central Government continues to decline and there is the Fairer Funding Review of Local Government funding which is likely to see further reductions from 2020.

### COUNCIL TAX

With the reductions in government grant like all councils we are becoming increasingly reliant on Council Tax as our main funding source. In 2010/11 Council Tax accounted for 43% of the Council's funding in 2019/20 this is expected to have risen to 62%.

Without increasing the levels of locally raised taxation, savings would have to be set at far higher levels into the future. Any increases in Council Tax agreed by Council are limited by the referendum cap to an average £5 per property or 3% whichever is the higher which limits the additional income we can raise.

The council taxbase (number of properties liable to Council Tax) will also increase through new house building, the number of residents eligible for support and bringing empty homes back into use. We have worked with colleagues in planning to establish a forecast



number of new homes in each year of this plan. The table below shows the estimated number of new homes to be built over the next four years, together with the projected taxbase increase in each year.

	<b>2019/20</b>	<b>2010/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
<b>Number of homes</b>	321	537	695	531	681
<b>Taxbase Increase</b>	1.6%	1.4%	2.0%	1.9%	1.9%

To keep the savings required down to £0.95M the MTFP assumes raising Council Tax by £5 all five years of the plan. Lower increases would require additional savings to be found. The levels of additional Council Tax generated in each year with increases in taxbase and increasing Council Tax by either 2% or £5 per annum can be seen below:

<b>Council Tax Growth</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>
<b>Taxbase Growth Only</b>	76	141	235	329	421
<b>Taxbase Growth + 2%</b>	170	335	534	739	949
<b>Taxbase Growth + £5</b>	230	455	715	981	1,252



## BUSINESS RATES

Although our business rates position has improved and we are likely to be in excess of Government's assessed baseline for business rates income in 2019/20 We continue to face pressure on resources, although the Valuation Office is making progress in resolving outstanding appeals, 40 appeals making up 15% of the overall business rates base remain outstanding which when settled will be backdated to 2010. In 2017/18 a total of £1.05m was refunded to business rate customers, of which the Council's share is £419k. A recent legal case is likely to result in the removal of separate rating valuations for ATMs in third party premises which is likely to result in refunds to rate payers of circa £200k.

In the finance settlement the Government announced an increase in the share of business rates retained by the Council to 75% in 2020. The full implications of this are not known currently but it will mean that we need to monitor the impact of appeal decisions carefully.

There will be a complete reset of the business rates system in 2020/21 where the Council will be given a new baseline based on the Governments assessment of this Councils need. This will remove any growth in business rates above the baseline from the Council and we are likely to achieve no better than the new baseline from 2020/21.



## MEDIUM TERM FINANCIAL PLAN (MTFP)

Our MTFP outlines our projections for the next five years and is summarised in the table below. The December settlement figures were broadly in line with what was anticipated, any changes will be incorporated into the 2019/20 budget.

The MTFP is based on a defined set of principles and assumptions agreed by Council. Full details of the savings plan are attached at Appendix 1.

	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Inflated Base Budget</b>	<b>8,051</b>	<b>8,241</b>	<b>8,468</b>	<b>8,694</b>	<b>8,920</b>
Identified Cost Pressures	85	20	20	20	20
Savings	(300)	(550)	(675)	(875)	(950)
<b>Net Budget Requirement</b>	<b>7,836</b>	<b>7,712</b>	<b>7,813</b>	<b>7,839</b>	<b>7,990</b>
<b>Financing</b>					
Business Rates Baseline	1,759	1,847	1,902	1,959	2,018
Business Rates Growth/ (Loss)	80	0	0	0	0
New Homes Bonus (NHB)	981	760	557	150	0
Rural Services Delivery Grant (RSDG)	183	0	0	0	0
Council Tax	4,861	5,076	5,353	5,711	5,968
<b>Total Financing</b>	<b>7,863</b>	<b>7,683</b>	<b>7,811</b>	<b>7,821</b>	<b>7,986</b>
<b>General Fund Balance</b>					
Opening Balances	3,058	3,086	3,057	3,055	3,037
Contribution to/ (from) General Balances	(28)	(29)	(2)	(19)	(4)
<b>Closing Balance</b>	<b>3,086</b>	<b>3,057</b>	<b>3,055</b>	<b>3,037</b>	<b>3,033</b>



# 4. FINANCIAL RISKS FACING THE COUNCIL

We currently face a number of financial risks which will need to be addressed in future reviews of the MTFP and our business plan.



## New Homes Bonus



Whilst the December 2018 settlement confirmed that the baseline for housing growth will remain at 0.4%, however we can expect NHB to be phased out from 2020 as part of the Fairer Funding Review.

## Business Rates



The Government plans to localise business rates is evolving, with councils retaining 75% of business rates in 2020/21 (current retention is 50%). This will increase the risk to Councils if they see their business rates base shrink for any reason as they will be liable for a greater share of the loss or refund.

## Brexit

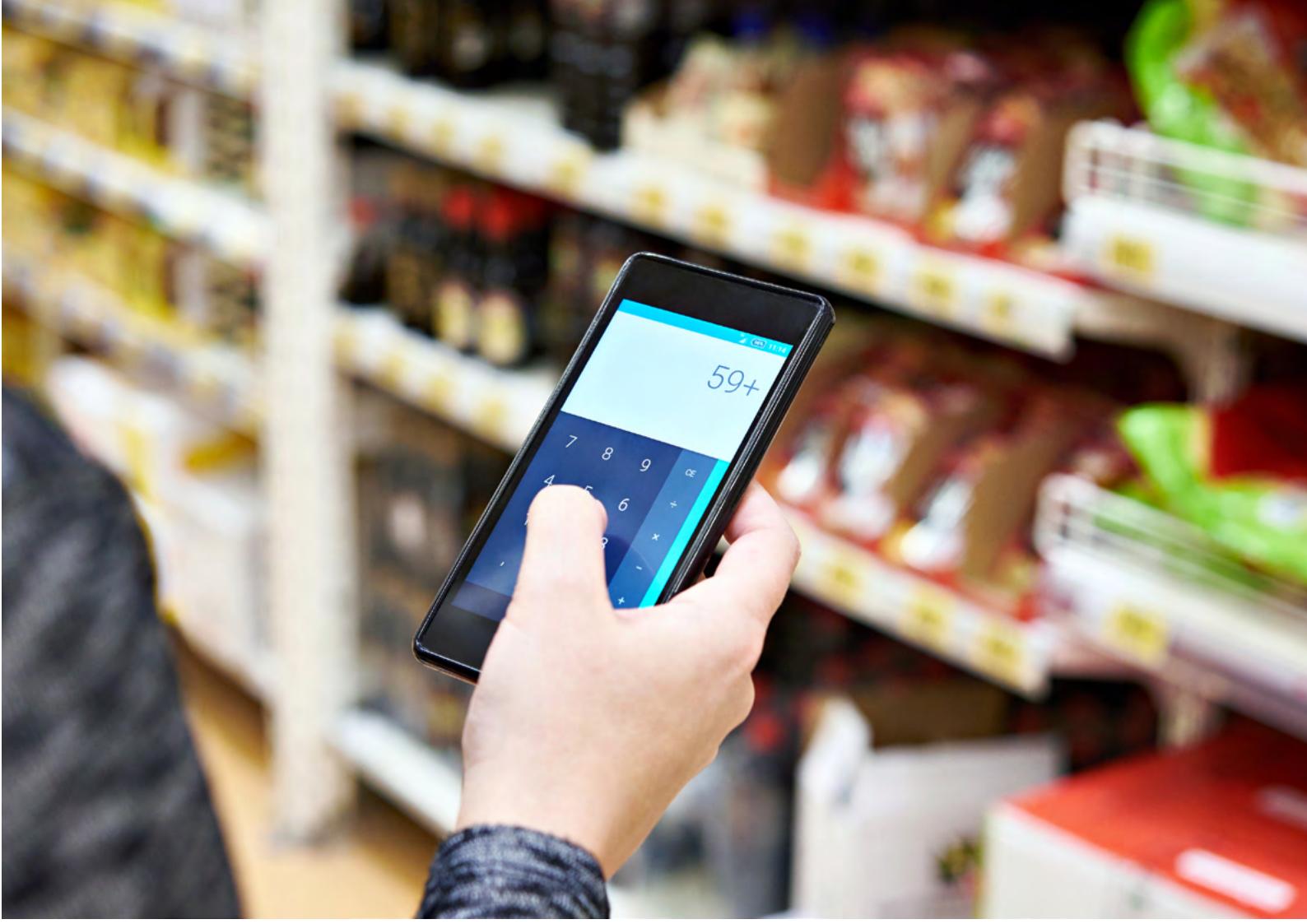


We have seen reduced economic growth forecasts as a result of the UK's decision to leave the European Union. This coupled with interest rate fluctuations put additional pressure on our income streams and financial sustainability. With negotiations ongoing, this uncertainty will continue for sometime.

## Universal Credit



Universal Credit has begun to replace housing benefit on a phased basis from September 2018; this will make recovering housing benefit overpayments from on-going benefit payments more difficult. The transfer to Universal Credit is likely to have a wider impact in other areas such as housing and homelessness. It is also likely that Housing Benefit Admin Grant will reduce more quickly than the cost of providing the service.



## Inflation



Recent low levels of inflation have been helpful in maintaining cost levels. However it is now apparent that inflationary pressure is returning to the UK economy. Increases in the rate of inflation will increase budget pressure on our expenditure and drive the need for further savings.

## New Burdens



Legislative changes such as the Homelessness Reduction Act and proposals on changes to waste collection together with further anticipated transfer of responsibilities to district councils from other areas of the public sector will directly impact upon our finances

## National living wage



Planned increases in the national minimum wage by 2020 will see salary costs increase significantly, to the Council and its suppliers, particularly those providing leisure services to us and waste and recycling.

## Fairer Funding Review



The review planned for 2020 will set a new business rates baseline for all councils. This will probably redistribute funding away from lower to upper tier authorities. It will also mean that any business rates growth above the baseline will be lost.

# 5. BUSINESS MODEL

## CURRENT MODEL

Our current business model is that services should be provided by whoever can provide the best mix of quality and price. This has resulted in a mixed economy with services provided directly by us as a council, services provided in partnership with other local authorities or private sector partners. This model has been very successful in reducing our costs whilst maintaining service levels.



## MALVERN HILLS DISTRICT COUNCIL BUSINESS MODEL

### Council Provision

- Refuse and recycling
- Street cleaning
- Grounds maintenance
- Street Scene
- Public toilets
- Economic development and tourism
- Sports and leisure activities
- Electoral services
- Democratic and member support
- Finance and performance
- Property services
- Health and Safety
- Community services
- Customer services

**Cost - £5,441,000**

### Provided by third parties

- Leisure centres
- Home Improvement Agency
- Out of hours calls handling
- Malvern Theatres
- External Audit
- Revenues and Benefits

**Cost - £336,000**

### Provided to other councils

- Transactional finance
- Financial system support
- Leisure contract management

**Cost - £255,000**

### Joint working arrangements

- |   |   |   |
|---|---|---|
| <ul style="list-style-type: none"><li>• HR and payroll</li><li>• Strategic procurement</li><li>• Communications</li><li>• Community safety</li><li>• Emergency planning</li><li>• Chief Executive / Senior Management</li></ul> | <ul style="list-style-type: none"><li>• Land drainage partnership</li><li>• Policy development</li><li>• On street car parking</li><li>• ICT</li><li>• Land charges and GIS</li><li>• Environmental health and licensing</li><li>• Building control</li></ul> | <ul style="list-style-type: none"><li>• Internal audit</li><li>• Legal services</li><li>• Strategic housing</li><li>• Conservation</li><li>• South Worcestershire Development Plan</li><li>• Planning</li></ul> |
|---|---|---|

**Cost - £1,846,000**

## SUSTAINABILITY OF CURRENT MODEL

The operating context and risks the Council face means that there will be a need to build on the existing business model to take advantage of opportunities to reduce costs and reliance on traditional sources of funding, whilst maintaining service delivery. In order to do this we need to move towards more innovative and enterprising ways of delivering our services.

We need to look at all services we currently provide to determine whether the current method of delivery is sustainable going forward. In doing this we need to identify opportunities for the following:

- **Service transformation** – maintain in house service delivery but review service delivery process to make more efficient or change service delivered to generate income or savings.
- **Joint working** – full shared service, joint procurement of goods and services, or shared use of resources.
- **Private sector** – direct outsourcing, strategic partnerships or shared expertise.
- **Selling services** – identify services we provide which can be scaled up and delivered to other local authorities or other bodies, either expanding those we currently offer or bringing forward new opportunities.

## COUNCIL PERFORMANCE AND TARGETS

In order to ensure delivery of our corporate strategy and achievement of our strategic priorities, we monitor performance across all services very closely and set targets to ensure we maintain our current high quality of services. Performance measures are set to incorporate council priorities, assess customer satisfaction and ensure compliance with government requirements. A summary of our current performance and targets is [available here](#).

In reviewing our business model we need to ensure that we identify appropriate relevant performance measures and ensure our priorities are met.

## COMMUNITY SELF SUFFICIENCY



We work closely with our parishes and local community groups to enable them to deliver services and improve facilities locally. We do this in a number of ways from providing support in developing plans and strategies, supporting funding applications and working to ensure the best use of resources (e.g. s106 funding).

Encouraging these groups to be self sufficient and devolving services where beneficial will be key going forward to make the most of the resources available and improve services to residents.





## 6. ACTIONS

Over the last ten years, we have reduced the size and capacity of the Council significantly in response to the reductions in government funding. Many of the 'low hanging fruit' have been taken so our ability to continue to make savings without impacting on front line services and performance is restricted. We are now looking at innovative ways for the council to develop which will protect services as far as possible whilst maintaining the resilience and sustainability of the council. In doing this we are looking at ways not only to reduce costs further but also ways to generate income for the council. This does mean however, that there are potentially very difficult decisions ahead for the council.

Over the period of the plan we need to find additional savings of £0.95m per annum. We will do this by looking at four key areas:

### EFFICIENCIES

- **Organisational efficiency**

- **Property review** – the new Council House reception facility will provide a customer reception on site and additional meeting space. Enabling the Council to in source its customer service provision from Civica.

- **Service transformation** – review service delivery to streamline processes for both customers and staff to improve efficiency and reduce cost.
- **ICT** – improved flexible working for employees and self service for customers.
- **Service changes** – review service provision to identify the impact of increasing or decreasing level of service offered.

### PARTNERSHIPS AND SERVICES

- **Partnership working** – identify further opportunities for joint working with other councils including Wychavon to improve resilience and efficiency.

### INVESTMENT AND GROWTH

- **Investment** – maximise opportunities for investment to generate a return for the Council. This includes investment in our own assets (Malvern Theatres), and Park Farm), cash investment (e.g. CCLA property fund), investment in other entities (e.g. Malvern Hills Science Park) as well as looking for new assets to acquire.
- **Business growth**
  - Expand services offered to other councils - e.g. client management of leisure contracts, transactional finance and finance systems support
  - Maximise income from council assets – e.g. property letting

## INCOME AND TAXATION

- Fee income** – maximise fee income through service promotion, particularly non statutory services such as garden waste and commercial waste recycling.
- Car Parking** – ensure car parking charges deliver a suitable return on the council's car parking assets.

- Council Tax** – increase income from council tax both through sustainable increases in council tax and maximising growth in tax base through bringing new homes into the tax base and bringing empty homes back into use.

The table at below shows how these actions will generate the savings the Council requires over the period of the plan.

Area for action	Action	Savings or income target				
		2019/20	2020/21	2021/22	2022/23	2023/24
<b>Efficiencies</b>						
Property	New Council House Reception	(175,000)	(230,000)	(230,000)	(230,000)	(230,000)
		(175,000)	(230,000)	(230,000)	(230,000)	(230,000)
<b>Partnership &amp; Services</b>						
Partnership working	Other shared services	(75,000)	(150,000)	(200,000)	(250,000)	(300,000)
Malvern Theatre	Payback from Investment in new building		(16,000)	(16,000)	(16,000)	(16,000)
		(75,000)	(166,000)	(216,000)	(266,000)	(316,000)
<b>Investment &amp; Growth</b>						
Investment	Interest income from short and long-term investments	(50,000)	(50,000)	(100,000)	(100,000)	(100,000)
<b>Income Generation</b>						
Income	Other increases in fees and charges	(20,000)	(50,000)	(80,000)	(110,000)	(140,000)
		(70,000)	(100,000)	(180,000)	(210,000)	(240,000)
<b>Total</b>		(320,000)	(496,000)	(626,000)	(706,000)	(786,000)
<b>Budget Gap</b>	<b>Target</b>	(300,000)	(550,000)	(675,000)	(875,000)	(950,000)
<b>Shortfall/ (Excess)</b>		(20,000)	54,000	49,000	169,000	164,000

**Green** - Savings are assured no further decisions required.

**Amber** – Some savings assured, either further decisions required or there are uncertainties in future years.

**Red** – Committee decisions will be required to achieve the target level of savings.



M A L V E R N   H I L L S   D I S T R I C T   C O U N C I L

# BUSINESS PLAN

2019 - 2024

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