

Agenda Item No: 5

LGSS Strategic Plan 2017-18 to 2021-22

To: LGSS Joint Committee

From: John Kane – LGSS Managing Director
Matt Bowmer – LGSS Finance Director

Purpose: To present the final draft of the LGSS Strategic Plan 2017-18 to 2021-22 to Joint Committee for consideration and approval.

Recommendation: That LGSS Joint Committee:

1. Approves the LGSS Strategic Plan 2017-18 to 2021-22.
2. Notes the key financial risks documented in section 2 of this report.

1. Introduction

1.1 The founding councils approved a five year LGSS Strategic Plan in July 2010 covering the period 2011-12 to 2015-16. The Plan has been rolled forward with approval by the Joint Committee on an annual basis since with a minor overhaul in 2013-14 following the appointment of the new Managing Director.

1.2 There was no refresh of the Plan for 2016-17 and a budget only approved by the Joint Committee. This was a conscious decision. Milton Keynes had just joined LGSS as a new partner and it was essential for them to have a full input into a refreshed Plan. That process is now complete with there having been numerous sessions of the Board including extended ones with input from the partner councils' Chief Finance Officers (CFO) in their strategic commissioning roles, informal workshops with members and presentations and discussion with Chief Executives and the senior management of the partner councils.

1.3 There has been a fresh start to the construction of the Strategic Plan with a restatement of the vision, goals and objectives and more concise approach to the articulation of these compared to previous versions of the Plan. There is also a more comprehensive section on the finances which provides a clear build of the budget as well as director and service line analysis to support robust accountability.

2. Financial Considerations

2.1 There are a number of key financial risks which need to be considered when reviewing the plan. These are listed overleaf.

- I. Of the £1,563k of pressures detailed in Table 6a, a total of £350k is for the loss of income that has arisen due to the change in how NCC advertise jobs within schools. This service, which used to provide an income, will now be undertaken for free and at present there are no mitigating proposals to replace this income.
- II. Of the £1,563k of pressures detailed in Table 6a a further total of £350k is associated with the proposed reduction in the learning and development services to NCC. At this point this has been proposed but no mitigation has yet been formulated.
- III. Within the savings plans detailed within Table 6b of the plan there is £400k for 2017-18 and £600k for 2018-19, associated with the implementation of ERP Gold. These savings are dependent upon the system going live within certain timeframes.
- IV. For CCC and NCC there is a residual gap between income and expenditure of £625k in 2018-19. This gap rises to £1,197k in 2019-20 and then falls to £685k in 2020-21. The proposed strategy is to secure new shareholders enabling savings to be shared that will cover these gaps. If this does not happen then further savings will be required from the existing shareholders over and above those already recognised.
- V. There is no remaining provision on the LGSS balance sheet for redundancy and exit costs as a consequence of transformation. LGSS will attempt to manage these within existing resources but with the general tightening of budgets there is a potential that the shareholding partners will need to pick up some of these costs.

3. List of Appendices

Appendix 1: Draft LGSS Strategic Plan 2017-18 to 2021-22