

**OVERVIEW OF THE BUSINESS PLANNING PROCESS**

**To:** General Purposes Committee

**Meeting Date:** 28th July 2015

**From:** Sue Grace, Director Customer Service & Transformation

**Electoral division(s):** All

**Forward Plan ref:** Not applicable      **Key decision:** No

**Purpose:** This report sets out the Business Planning process and proposed timetable for the forthcoming year. It also identifies the role that the General Purposes Committee will have in the Business Plan setting process for 2016/17 and the responsibilities of the Committee in delivering the current Plan as set out in the Council's Constitution.

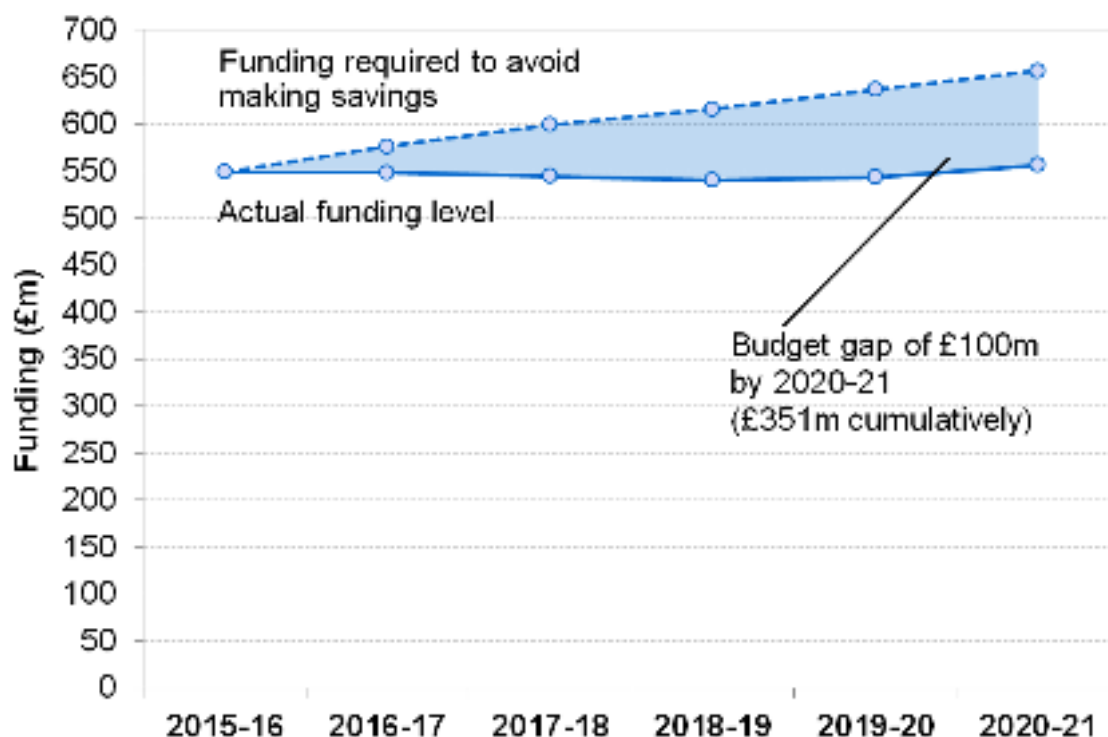
**Recommendation:** It is recommended that the Committee:

- a) notes the Business Planning timetable
- b) notes the responsibilities that it has in both the Business Plan Setting Process and the on-going delivery of the Plan.

<b><i>Officer contact:</i></b>	
Name:	Sue Grace
Post:	Corporate Director Customer Service & Transformation
Email:	Sue.grace@cambridgeshire.gov.uk
Tel:	01223 715680

## 1. BACKGROUND

- 1.1 The Business Plan is approved by the Council in February of each year. The Plan sets out the strategic objectives, financial resources and performance targets for the following financial year. The budget element of the plan sets out cash limits for services for the next five years and is adjusted annually to take account of demography, inflation, and funding changes as well as any additional service pressures.
- 1.2 It is a plan that should link resource allocations with the Council's key priorities and should reflect performance levels with these revised resource levels. Since the Government commenced on a long-term programme of austerity measures the process has understandably focussed on where and how savings will be achieved. Cash limits are allocated to five service blocks and are updated for changes in resource requirements, allocated on the basis of existing budget proportions.
- 1.3 As part of the evaluation of last year's process, quarterly General Purposes Committee (GPC)/Strategic Management Team (SMT) workshops have been scheduled this year to enable the ongoing discussion of strategic business planning issues between Members and officers.
- 1.4 As a result of the Criswell/Manning motion approved by Full Council on 14 October 2014, this year the Council is adopting a new approach to business planning which will better reflect the severity of the financial challenge being faced by Cambridgeshire's public services.
- 1.5 For Cambridgeshire County Council the scale of the challenge is such that on top of the huge savings we have already made, we will need to save around £100m over the next five years whilst the demand for our services will continue to grow rapidly:



- 1.6 These figures are deeply challenging for Cambridgeshire and its communities. The scale of funding being taken out of local public services is vast. Significant cuts have already been made to Council services, with deeper and tougher cuts to come. The austerity has driven innovation and transformation across the board to protect frontline services as much as possible, but it is inescapable that these reductions will mean fewer people in Cambridgeshire can be supported and those who receive support will get less than they do now.
- 1.7 Members of the Committee will also be aware that new pressures continue to emerge and will place increasing strain on the Council's future financial position. National policy changes, demographic trends, and local issues are all contributing pressures on the Council's budget.
- 1.8 As examples to illustrate this issue; the Local Government Association has recently forecast that the introduction of Government's living wage policy could cost councils nationally an extra £1bn by 2020/21, because of increased costs of staff and care providers. Unaccompanied asylum seekers that may end up in the care system, or at least be assessed for care needs, are presenting in increasingly unpredictable numbers and internally we know that demand for home to school transport, and the cost of waste disposal, are growing pressures. The implications of these examples, and other emerging pressures, are not yet fully tested, but could add millions of pounds to the future financial challenge.
- 1.9 Over recent months GPC Members and officers have together developed the principles of a new 'operating model' which will form the basis of the business planning process this year. The principles are:
- We will retain a bold and ambitious vision for Cambridgeshire – but understanding that our ability to directly provide services will decrease, so we will increasingly need to develop solutions with individuals, communities and partners
  - We will identify the outcomes that the Council most wants to achieve for communities, and convene ourselves around these
  - We will identify the activities that are most important in enabling us to achieve outcomes, and convene ourselves around these
  - We will take a long-term approach to our work with people in Cambridgeshire, and a long-term approach to our strategic planning
- 1.10 The outcomes that are guiding work to identify budget proposals this year are:
- Older people live well independently
  - People with disabilities live well independently
  - People at risk of harm are kept safe
  - People lead a healthy lifestyle
  - The best educational achievement for every child in Cambridgeshire
  - The Cambridgeshire economy prospers to the benefit of all Cambridgeshire residents
  - People live in a safe environment
- 1.11 The key enablers that are guiding collaboration across Council services to achieve these outcomes are:
- Building community resilience

- Exploiting digital solutions, making the best use of data and insight
- Having Members and officers who are equipped for the future
- Maximising commercialism and income generation, and making best use of our assets
- Ensuring the majority of customers are informed, engaged and get what they need the first time they contact us

1.12 Since the GPC/SMT workshop in February this year, officers have been assigned as leads to these draft outcomes and enablers, and have been tasked with exploring how the Council can meet its ambitions for Cambridgeshire with significantly less resource over the next five years. This initial thinking and exploration of ideas will form the basis of the way officers will support Committees in making business planning proposals.

1.13 We recognise that outcome led business planning may, over time, require changes to our current approach to setting cash limits across the five service blocks. This will be kept under review as outcome planning progresses.

## **2. GENERAL PURPOSES COMMITTEE'S ROLE IN BUSINESS PLANNING**

2.1 The General Purposes Committee (GPC) has a key responsibility in ensuring that there is adherence to the corporate Business Planning process before the final recommendations are considered by Full Council and for ensuring the Business Plan is delivered once it has been agreed. This report summarises those responsibilities.

The General Purposes Committee has two distinct roles in this process:

a) As a service committee

GPC is responsible for overseeing a number of service activities in the same way as the other service committees. It will therefore have to consider and agree the operational budgets and savings proposals appertaining to those services.

The service responsibilities of the GPC cover the following service areas: -

- LGSS Managed Budgets (IT, Insurance, County Farms etc.)
- Corporate Services (Communications, Transformation etc.) non-LGSS.

b) As a strategic overview

Whilst responsibility for the setting of cash limits and agreeing of budgets rests with Full Council there is a role for GPC to act as a custodian or gatekeeper to ensure that a collective approach is adopted to the development of budget proposals and other issues associated with the Business Plan process. Membership of the GPC will enable challenge and facilitate consistency across the service committees in a forum that is less formal than the Council Chamber.

## **2.2 The Timetable**

2.2 The Business Planning process is a rolling process that covers a five year financial planning horizon. Set out below (Fig 1) is a high level summary of the timelines for the forthcoming annual process. A more detailed summary of key

dates in the Business Planning Process is attached at **Appendix A**. The timetable will be flexible over the course of the year, in order to respond to changing factors and the emerging financial position.

- 2.3 Activities in the timeline have been attributed to the relevant service leading that activity or the democratic point of consideration. All of the activities will in practice however be approached as an integrated corporate programme of activity.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Finance	Drafting Medium Term Financial Strategy (MTFS) & capital strategy				Inflation process				Members' alternative budget proposals reviewed by Officers		
		Issue 'in principle' cash limits			Issue final cash limits						
Research		Demography reviewed and refined		Consultation process undertaken							
Directorates				Demography challenge							
			Develop savings proposals / build on existing proposals working within revised cash limits								
General Purposes Committee				MTFS, capital strategy& cash limits agreed			Consider capital prioritisation		Consider full draft plan (all sections)	BP for Council agreed	
Service Committees				Consider/challenge initial update & early savings plans		Consider draft capital proposals, fees & charges report	Update on business planning position	Review final draft budget tables& final CIAs	Consider any changes since Nov committee		
Target Operating Model (TOM)	Outcome and enabler groups set up	Development of ideas, plans and options	Develop savings proposals								
Informal workshops	Service Committee workshops – Member engagement to informally test TOM and other savings proposals. Includes two GPC workshops during this period.					GPC workshop		GPC workshop		GPC workshop	
Council							Capital strategy agreed				Final BP agreed

### **3. ALIGNMENT WITH CORPORATE PRIORITIES**

#### **3.1 Developing the local economy for the benefit of all**

There are no significant implications for this priority.

#### **3.2 Helping people live healthy and independent lives**

There are no significant implications for this priority.

#### **3.3 Supporting and protecting vulnerable people**

There are no significant implications for this priority.

### **4. SIGNIFICANT IMPLICATIONS**

#### **4.1 Resource Implications**

There are no significant implications within this category.

#### **4.2 Statutory, Risk and Legal Implications**

There are no significant implications within this category.

#### **4.3 Equality and Diversity Implications**

There are no significant implications within this category.

#### **4.4 Engagement and Consultation Implications**

There are no significant implications within this category.

#### **4.5 Localism and Local Member Involvement**

There are no significant implications within this category.

#### **4.6 Public Health Implications**

There are no significant implications within this category.

<b>Source Documents</b>	<b>Location</b>
The Council's Constitution	<a href="http://www.cambridgeshire.gov.uk/info/20050/council_structure/288/councils_constitution">http://www.cambridgeshire.gov.uk/info/20050/council_structure/288/councils_constitution</a>
Scheme of Financial Management	<a href="http://www.cambridgeshire.gov.uk/site/scripts/google_results.aspx?q=scheme+of+financial+management">http://www.cambridgeshire.gov.uk/site/scripts/google_results.aspx?q=scheme+of+financial+management</a>

## Appendix A: Key Business Planning Dates for Members

Date	Description
<b>July</b>	
13 Jul	<p><b>SMT session – enablers and outcomes feedback final proposals to SMT</b></p> <p><i>This is the first deadline for all of the outcome and enabler (Operating Model) work, which is being integrated with this year's business planning cycle.</i></p>
15 Jul	<p><b>Children &amp; Young People Committee Business Planning Seminar</b></p> <p><i>This session has been organised for Members to be briefed about and discuss the emerging business planning proposals and approach. This is not a formal committee meeting or decision making point but will allow Members to engage early and steer or question initial proposals, outside of a formal meeting setting.</i></p>
22 Jul	<p><b>Adults Committee Business Planning Seminar</b></p> <p><i>As above, for the members of the Adults Committee.</i></p>
23 Jul	<p><b>Group Leaders</b> consider Medium Term Financial Strategy, Capital Strategy and covering reports, and the Overview of the Business Planning Process</p> <p><i>Group Leaders to have sight of final version of Medium Term Financial Strategy and Capital Strategy, and a paper setting out an overview of the business planning process, before they are discussed at General Purposes Committee on 28 July.</i></p>
28 Jul	<p><b>General Purposes Committee</b> consider recommended Medium Term Financial Strategy and Capital Strategy from Chief Finance Officer and authorise 'in principle' revenue cash limits and prudential borrowing limits, agree approach to pressures, and consider an overview of this year's business planning process</p> <p><i>Report titles:</i></p> <ul style="list-style-type: none"> <li>• <i>Medium Term Financial Strategy</i></li> <li>• <i>Capital Strategy</i></li> <li>• <i>Overview of the Business Planning Process</i></li> </ul> <p><i>Purpose:</i></p> <ul style="list-style-type: none"> <li>• <i>To consider and approve the Medium Term Financial Strategy and Capital Strategy</i></li> <li>• <i>To approve indicative revenue cash limits and prudential borrowing limits</i></li> <li>• <i>To agree the approach to pressures</i></li> <li>• <i>To consider the overview of the business planning process for this year and beyond</i></li> </ul>
<b>August</b>	
N/A	There are currently no plans to use the reserve dates for Service Committees during August for business planning.
<b>September</b>	

- 1 Sept **Highways & Community Infrastructure Committee** review capital report, committee elements of all capital budget tables and prioritisation tables (full drafts), fees & charges report, note demography
- This is the stage of the business planning process where Members will be asked to consider the majority of capital proposals for this Service Committee. Members will also be asked to note demography figures and review the fees and charges report.*
- 1 Sept **Adults Committee** (Business planning item – TBC)
- 3 Sept **Health Committee** review capital report, committee elements of all capital budget tables and prioritisation tables (full drafts), fees & charges report, note demography
- This is the stage of the business planning process where Members will be asked to consider the majority of capital proposals for this Service Committee. Members will also be asked to note demography figures and review the fees and charges report.*
- 8 Sept **Economy & Environment Committee** review capital report, committee elements of all capital budget tables and prioritisation tables (full drafts), fees & charges report, note demography
- This is the stage of the business planning process where Members will be asked to consider the majority of capital proposals for this Service Committee. Members will also be asked to note demography figures and review the fees and charges report.*
- 8 Sept **Children & Young People Committee** review capital report, committee elements of all capital budget tables and prioritisation tables (full drafts), fees & charges report, note demography
- This is the stage of the business planning process where Members will be asked to consider the majority of capital proposals for this Service Committee. Members will also be asked to note demography figures and review the fees and charges report.*
- 10 Sept **General Purposes Committee/SMT workshop**
- This session has been organised for Members to be briefed about and discuss the emerging business planning proposals and approach. This is not a formal committee meeting or decision making point but will allow Members to engage, steer and/or question initial proposals, outside of a formal meeting setting.*
- 15 Sept **General Purposes Committee** review capital report, CS & Managed elements of all capital budget tables and prioritisation tables (full drafts), fees & charges report, draft of Strategic Framework, note demography
- Members of the General Purposes Committee will be asked to review reports on Capital, and fees and charges. GPC will also be asked to review the draft of the business plan's Strategic Framework and note demography information. GPC as its role as Service Committee for Customer Service and Transformation, will also be asked to review capital budget and prioritization tables for the directorate.*
- 22 Sept (reserve) **Highways & Community Infrastructure Committee** to discuss and update members of the Service Committee on the latest business planning position.
- This is a reserve committee date, but may be useful to discuss early thinking and plans for business planning proposals.*



29 Sept (reserve)	<p><b>Adults Committee</b> review capital report, committee elements of all capital budget tables and prioritisation tables (full drafts), fees &amp; charges report, note demography</p> <p><i>This is the stage of the business planning process where Members will be presented with the majority of capital proposals for this Service Committee. Members will also be asked to note demography figures and review the fees and charges report.</i></p>
<b>October</b>	
1 Oct (reserve)	<p><b>Health Committee</b> to discuss and update on latest business planning position</p> <p><i>This is a reserve committee date, but may be useful to discuss early thinking and plans for business planning proposals.</i></p>
6 Oct (reserve)	<p><b>Children &amp; Young People Committee</b> to discuss and update on latest business planning position</p> <p><i>This is a reserve committee date, but may be useful to discuss early thinking and plans for business planning proposals.</i></p>
6 Oct (reserve)	<p><b>Economy &amp; Environment Committee</b> to discuss and update on latest business planning position</p> <p><i>This is a reserve committee date, but may be useful to discuss early thinking and plans for business planning proposals.</i></p>
13 Oct	<b>Full Council</b> considers recommended Capital Strategy from General Purposes Committee
14 Oct	<p><b>Adults Committee Business Planning Seminar (am) and Children &amp; Young People Committee Business Planning Seminar (pm)</b></p> <p><i>This session has been organised for Members to be briefed about and discuss the emerging business planning proposals and approach. This is not a formal committee meeting or decision making point but will allow Members to engage, steer and/or question initial proposals, outside of a formal meeting setting.</i></p>
20 Oct	<p><b>General Purposes Committee</b> to discuss and update committee on latest business planning position, receive a Service Committee Chairs' report on Service Committee discussions on capital, and consider the capital prioritisation report</p> <p><i>Members of GPC will be asked to consider the capital prioritisation report and a report from Service Committee Chairs on discussions on capital at September Service Committees. Within its role as Service Committee for Customer Service and Transformation, this may also be an opportunity to discuss early thinking and plans for business planning proposals.</i></p>

## November

- 3 Nov **Adults Committee** review revenue and capital report, committee elements of all budget tables (final draft), CIAs and Consultation Report
- This is the stage of the business planning process where Members will be asked to consider the revenue proposals for this Service Committee. Members will also be asked to review the associated Community Impact Assessments, the Consultation Report and the capital reports (to consider any changes since capital was reviewed in September).*
- 3 Nov **Highways & Community Infrastructure Committee** review revenue and capital report, committee elements of all budget tables (final draft), CIAs and Consultation Report
- This is the stage of the business planning process where Members will be asked to consider the revenue proposals for this Service Committee. Members will also be asked to review the associated Community Impact Assessments, the Consultation Report and the capital reports (to consider any changes since capital was reviewed in September).*
- 5 Nov **Health Committee** review revenue and capital report, committee elements of all budget tables (final draft), CIAs and Consultation Report
- This is the stage of the business planning process where Members will be asked to consider the revenue proposals for this Service Committee. Members will also be asked to review the associated Community Impact Assessments, the Consultation Report and the capital reports (to consider any changes since capital was reviewed in September).*
- 10 Nov **Children & Young People Committee** review revenue and capital report, committee elements of all budget tables (final draft), CIAs and Consultation Report
- This is the stage of the business planning process where Members will be asked to consider the revenue proposals for this Service Committee. Members will also be asked to review the associated Community Impact Assessments, the Consultation Report and the capital reports (to consider any changes since capital was reviewed in September).*
- 17 Nov **Economy & Environment Committee** review revenue and capital report, committee elements of all budget tables (final draft), CIAs and Consultation Report
- This is the stage of the business planning process where Members will be asked to consider the revenue proposals for this Service Committee. Members will also be asked to review the associated Community Impact Assessments, the Consultation Report and the capital reports (to consider any changes since capital was reviewed in September).*
- 24 Nov (am) **General Purposes Committee** review revenue and capital report, CS & Managed elements of all budget tables (final draft), CIAs and Consultation Report
- This is the stage of the business planning process where Members will be asked to consider the revenue proposals within GPC's role as Service Committee for Customer Service and Transformation. Members will also be asked to review the associated Community Impact Assessments, the Consultation Report and the capital reports (to consider any changes since capital was reviewed in September).*
- 24 Nov (pm) **General Purposes Committee/SMT workshop**

*This session has been organised for Members to be briefed about and discuss the emerging business planning proposals and approach. This is not a formal committee meeting or decision making point but will allow Members to engage, steer and/or question initial proposals, outside of a formal meeting setting.*

## December

- |                     |   |
|---------------------|---|
| 1 Dec<br>(reserve)  | <p><b>Adults Committee</b> to consider any amendments since November committee to revenue and capital report, committee elements of all budget tables (final draft), CIAs and Consultation Report</p> <p><i>This is a reserve committee date that may be useful to consider any changes to business planning proposals since the November committee meeting.</i></p>                                  |
| 1 Dec<br>(reserve)  | <p><b>Highways &amp; Community Infrastructure Committee</b> to consider any amendments since November committee to revenue and capital report, committee elements of all budget tables (final draft), CIAs and Consultation Report</p> <p><i>This is a reserve committee date that may be useful to consider any changes to business planning proposals since the November committee meeting.</i></p> |
| 8 Dec<br>(reserve)  | <p><b>Children &amp; Young People Committee</b> to consider any amendments since November committee to revenue and capital report, committee elements of all budget tables (final draft), CIAs and Consultation Report</p> <p><i>This is a reserve committee date that may be useful to consider any changes to business planning proposals since the November committee meeting.</i></p>             |
| 8 Dec<br>(reserve)  | <p><b>Economy &amp; Environment Committee</b> to consider any amendments since November committee to revenue and capital report, committee elements of all budget tables (final draft), CIAs and Consultation Report</p> <p><i>This is a reserve committee date that may be useful to consider any changes to business planning proposals since the November committee meeting.</i></p>               |
| 10 Dec<br>(reserve) | <p><b>Health Committee</b> to consider any amendments since November committee to revenue and capital report, committee elements of all budget tables (final draft), CIAs and Consultation Report</p> <p><i>This is a reserve committee date that may be useful to consider any changes to business planning proposals since the November committee meeting.</i></p>                                  |
| 10 or 17 Dec        | <p><b>Group Leaders</b> ahead of the 22 Dec GPC, consider covering report and Finance Tables recommended by November/December Service Committees, revised capital prioritisation report, Vision and Priorities and Treasury Management Strategy (with separate covering report as different agenda item).</p>   |
| 22 Dec              | <p><b>General Purposes Committee</b> review covering report and Finance Tables recommended by November/December Service Committees, revised capital prioritisation report, Vision and Priorities and Treasury Management Strategy</p>   |

## January

- 5 Jan            **General Purposes Committee** consider impact of Local Government Finance Settlement
- Date of announcement of Local Government Finance Settlement TBC.*
- TBC Jan        **Members' Seminar** receive briefing on the Business Plan
- Date of this session is to be confirmed.*
- 21 Jan         **General Purposes Committee/SMT workshop**
- This session has been organised for Members to be briefed about and discuss the emerging business planning proposals and approach. This is not a formal committee meeting or decision making point but will allow Members to engage, steer and/or question initial proposals, outside of a formal meeting setting.*
- 26 Jan         **General Purposes Committee** review full Business Plan, make any final adjustments and submit recommendation to Full Council
- This is the point in the business planning cycle where members of GPC are asked to review the full Business Plan to make any final adjustments prior to submission to Full Council in February.*

## February

- 16 Feb         **Full Council** consider recommended Business Plan from General Purposes Committee and any alternative budgets
- Full Council will be asked to endorse the final Business Plan for 2016-2021, as recommended by GPC.*
- 19 Feb         Reserve date for **Full Council**
- This is a second opportunity to endorse the Business Plan, should any final adjustments be requested by Full Council on 16 February.*