

BUSINESS PLANNING UPDATE

To: **General Purposes Committee**

Meeting Date: **29 November 2016**

From: **Chris Malyon, Chief Finance Officer**

Electoral division(s): **All**

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

Purpose: **This report provides the Committee with an overview of the draft Business Planning Proposals and budget position following October Service Committees.**

Recommendation: **The Committee is asked to consider the Council's current budget position and provide comment ahead of Service Committee consideration of Business Planning proposals in December.**

<i>Officer contact:</i>
Name: Chris Malyon
Post: Chief Finance Officer
Email: Chris.Malyon@cambridgeshire.gov.uk
Tel: 01223 699796

1. CONTEXT

- 1.1 General Purposes Committee (GPC) is responsible for the oversight and strategic leadership of the Council's business planning process. This year that leadership has included the implementation of a cross-council programme of transformation, bringing forward innovative ideas to better achieve outcomes at the same time as ushering in a new era of truly one-council working.
- 1.2 The transformation programme has delivered a significant proportion of the savings the Council needs to achieve. Of the £96.8m savings needed across the five years of the plan, £54.9m have been identified to date.
- 1.3 However, the scale of the challenge facing this Council is such that further work is still needed to balance the budget. This report sets out the current state of play and the remaining timetable for GPC's awareness.

2. BUDGET POSITION

- 2.1 The current budget position is set out in the table below. This outlines the budget position at the point of October Service Committees and subsequent developments.

	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000
October Committee gap	-6,207	-3,749	-8,919	-11,785	-11,268
E&E Committee changes*	-834	-	-	-	-
H&CI Committee changes*	-175	-	-	-	-
Post Committee gap	-7,216	-3,749	-8,919	-11,785	-11,268
Further Business Plan developments	1,599	378	-689	-524	274
Current gap	-5,617	-3,371	-9,608	-12,309	-10,994

- 2.2 The Committees changes summarised in the table above are outlined below:

	2017-18 £000
B/R.6.106 – Remove Transport & Infrastructure Policy & Funding services that are not self-funding	-20
B/R.6.107 – Remove Transport & Infrastructure Policy & Funding services that are not self-funding	-30
B/R.6.104 – Reduction in Passenger Transport support	-694
B/R.6.105 – Reduce staff following reduction in provision of passenger transport services	-90
ETE Committee changes	-834
B/R.6.210 – Reduce Community Resilience and Development delivery work	-85
B/R.6.215 – Reduce service levels in Archives	-75
B/R.6.214 – Remove community grants	-15
H&CI Committee changes	-175
Total	-1,009

2.3 The Service level detail of further Business Plan developments is given below:

	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000
CFA	142	92	-956	-791	-
ETE	-45	-	-	-	-
CS	1,479	-	-	-	-
LGSS	-1	-152	-131	-150	-147
PH	10	-	-	-	-
Technical adjustments - inflation	14	438	398	417	421
Total	1,599	378	-689	-524	274

3. RISKS AND OTHER ISSUES TO NOTE

3.1 In addition to the pressures that are accounted for within the figures presented to Service Committees in October there are also a number of risks known to the Council. These risks are regularly monitored by Strategic Management Team (SMT) and within Services, each risk is RAG rated according to a judgement on likelihood and impact. These risks do not appear in the budget figures (e.g. they have not become so highly likely that they are treated as a pressure).

Risk	RAG
Dedicated Schools Grant – potential pressure arising from the consultation on national funding reforms.	Red
Permanent unfunded pressures emerging during 2016-17 financial year	Red
Business Rates Revaluation – due to take effect from 1 st April 2017, which could see significant rises in business rate liabilities in some areas and for some types of property.	Amber
Pension Triennial Review – the pension fund is being re-valued in 2016-17, with consultation results due in November.	Amber
Local Government Finance Settlement	Amber

3.2 With several of the risks being outside of the Council's control - there is a realistic chance that some of the risks outlined above will materialise, to some extent, throughout the remainder of this business planning process.

3.3 Therefore it is advised that for the remainder of the business planning process the Council considers the 2017-18 savings gap that must be met to achieve a balanced budget as ranging from £5.6m to £18m, excluding any adjustment to Revenue Support Grant through the Local Government Finance Settlement.

4. FURTHER TRANSFORMATION PROPOSALS

4.1 It is clear therefore that a significant number of further proposals must be brought forward during the December round of Service Committee meetings. Strategic Management Team have been working hard to identify other opportunities to enable a balanced budget to be considered by the Committee. These opportunities will be included within the December papers considered by service committees.

- 4.2 Following Service Committees in December, GPC will receive a draft of the full Business Plan at its meeting on 10 January. At this point there will be an opportunity provide any final and urgent comments before receiving the Business Plan for the final time on 24 January and being asked to recommend to Council on 14 February.

5. ALIGNMENT WITH CORPORATE PRIORITIES

5.1 Developing the local economy for the benefit of all

For details on significant implications within this category, please see the October Service Committee reports.

5.2 Helping people live healthy and independent lives

For details on significant implications within this category, please see the October Service Committee reports.

5.3 Supporting and protecting vulnerable people

For details on significant implications within this category, please see the October Service Committee reports.

6. SIGNIFICANT IMPLICATIONS

6.1 Resource Implications

This report outlines the overall resource position for the Council over the business planning cycle 2017-21. Significant implications are included throughout the report.

6.2 Statutory, Legal and Risk Implications

Business planning proposals will inevitably carry statutory, risk and legal implications. Significant risks are outlined in section 3.

6.3 Equality and Diversity Implications

Draft Community Impact Assessments were published as part of Service Committee Business Planning documents in October.

6.4 Engagement and Consultation Implications

The significant engagement and consultation implications will be addressed as part of the overarching Business Planning Process.

6.5 Localism and Local Member Involvement Implications

There are no significant implications within this category.

6.6 Public Health Implications

For details on significant implications within this category, please see the October Service Committee reports.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Chris Malyon
Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law?	Not applicable
Are there any Equality and Diversity implications?	Not applicable
Have any engagement and communication implications been cleared by Communications?	Not applicable
Are there any Localism and Local Member involvement issues?	Not applicable
Have any Public Health implications been cleared by Public Health	Not applicable

Source Documents	Location
CYP Committee Business Planning papers (item 6)	Item 6
Adults Committee Business Planning papers (item 5)	Item 5
E&E Committee Business Planning papers (item 4)	Item 4
H&CI Committee Business Planning papers (item 5)	Item 5
Health Committee Business Planning papers (item 4)	Item 4
GPC Business Planning papers (item 9)	Item 9