Agenda Item No:6

COUNCIL'S BUSINESS PLAN AND BUDGET PROPOSALS 2016-21

To:	**Council**
Date:	**16 February 2016**
From:	**Chris Malyon, Chief Finance Officer**
Purpose:	**(a) To advise Council of any amendments and changes made to the Business Plan subsequent to the General Purposes Committee meeting on 2 February 2016.** ***The amendments do not alter the proposals considered by the General Purposes Committee on 2 February 2016.*** **(b) To advise Council of the General Purposes Committee's consideration and recommendations on the Business Plan.** **(c) To consider the Section 25 Statement from the Chief Finance Officer regarding the robustness of the budget proposals and position of the Council's reserves.**
Recommendation:	**It is recommended that Council:-** **(a) Agree the recommendations within the 2016-17 Business Plan report that was considered by General Purposes Committee on 2 February 2016 and set out in paragraph 3.1 of this report; and** **(b) Agree to the requests made by the individual Service Committees to remove a number of savings proposals as set out in paragraph 2.3 of the Business Plan committee paper considered by General Purposes Committee on 2 February 2016.**

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1. CONSIDERATION BY GENERAL PURPOSES COMMITTEE

1.1 The Business Plan considered by the General Purposes Committee (GPC) on 2 February 2016 contained as full a view as possible of the levels of funding, costs and reserves available to the Authority at that point. The proposals were predicated on two fundamental Council Tax issues that had been considered, or approved, at previous GPC and Council meetings. These were that:

- The Council would not take the opportunity to set an Adult Social Care Precept of up to 2% of the council tax for the financial year 2016/17
- In line with the five year business plan agreed by the Council in February 2015 the Council would increase the County Council's element of the Council Tax by 1.99%.

1.2 It should also be noted that the proposals contained within the Business Plan report considered by GPC on 2 February included all the requests from service committees for the re-instatement of a number of savings proposals.

1.3 Having considered the report, and a number of amendments, the Committee were unable to reach agreement. The Business Plan and covering report is therefore attached for the consideration of Council. However it does not come with a recommendation from General Purposes Committee.

2. AMENDMENTS TO THE BUSINESS PLAN SINCE GENERAL PURPOSES COMMITTEE

2.1 Some minor wording changes to the supporting text within the Business Plan were proposed at the GPC meeting and these have been incorporated.

2.2 Some adjustments have been made to financial data inthe Business Plan as a result of receiving later and better information.These are listed in **Appendix A**. In particular, the delay in government's announcement of the final local government finance settlement until the evening of Monday the 8th of February prevented the draft Business Plan from being finalised before the 9th.

2.3 One of the key changesannounced in the final settlement proposals was the introduction of a two year transitional grant to mitigate the implications of changes to the RSG distribution methodology proposed in the provisional settlement. This proposal affected county council's significantly as a result of a redistribution of resources from shire areas to urban authorities. The transitional grant helps to smooth the impact of the re-distribution over the next two financial years which is welcomed.

2.4 Members will recall that as the cost of the National Living Wage (NLW) was not funded through the grant mechanism,this created a pressure in 16/17. Given GPC's steer not to accept the ASC precept the Business Plan has been developed on this premise. No specific funding source was therefore identified to support the cost of the NLW in 16/17. However GPC approved the utilisation of the projected underspend from 15/16 to cover this cost for one year and included the cost going forward as a service pressure in 17/18 and beyond. Assuming that funding would be available from underspends was a measured risk as the actual position will not be known until April.The transitional grant therefore creates the opportunity to significantly reduce this risk by part funding the cost in 16/17 supported by revenue underspends in 15/16. Any underspends beyond this requirement can then be set aside to support the Council's transformation programme.

2.5 The revenue impact of the adjustments referred to above are summarised in the table below in order to assist Members in understanding the financial changes that have been made:

	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000	Total £'000
Changes to Corporate Funding:						
Business Rates	-1,710	886	25	35	20	-744
Business Rates Compensation Grants	-7					-7
Revenue Support Grant – Transitional Support	-3,205	35	3,170			0
Education Services Grant	-414	-341	144	553	59	1
Total	**-5,336**	**580**	**3,339**	**588**	**79**	**-750**
Changes to Expenditure, Fees, Charges & Ring-fenced Grants and Reserves:						
Ringfenced Grants	112					112
Environment Agency Levy	3					3
CFA Unidentified Savings		-112				-112
Reserves – updated to balance changes	5,221	-468	-3,339	-588	-79	747
Total	**5,336**	**-580**	**-3,339**	**-588**	**-79**	**750**
Net Change	**-**	**-**	**-**	**-**	**-**	**-**

Note: positive figures equal an increase in expenditure / transfer to reserves / decrease in funding

2.6 Every Member of Council received a copy of the full draft Business Plan before the GPC meeting earlier this month. Although there have been some changes to the Plan since then it is not proposed, for cost reasons, to reprint the document or sections of the document again for Members.

2.7 A complete copy of the updated Business Plan, incorporating all changes, will be available on the Council's website once the budget has been finalised.

3. DECISIONS REQUIRED BY COUNCIL

3.1 It was not possible to gain agreement at GPC on the Business Plan proposals and therefore this report does not come to Council with a formal recommendation from the Committee. However the decisions required remain the same as per any other budget setting process. The decisions sought from Council are therefore:-

a) Before considering the Business Plan, the Council notes the comments set out in the Chief Finance Officer’s Section 25 Statement on the robustness of the Council’s budget and reserves.

b) Approval is given to the Service/Directorate cash limits as set out in each Service/Directorate table in Section 3 of the Business Plan.

c) Approval is given to a total County Budget Requirement in respect of general expenses applicable to the whole County area of £770,237,186as set out in Section 2, Table 5.3 of the Business Plan.

d) That approval is given to a recommended County Precept for Council Tax from District Councils of £253,437,019.62(to be received in ten equal instalments in accordance with the fall-back provisions of the Local Authorities (Funds) (England) (Amendment) Regulations 1995), as set out in Section 2, Table 5.3 of the Business Plan.

e) That approval is given to a Council Tax for each Band of property, based on the number of “Band D” equivalent properties notified to the County Council by the District Councils (217,164) as set out in Section 2, Table 5.4 of the Business Plan reflecting a 1.99% increase in the County Council element of the Council Tax:

Band	Ratio	Amount (£)
A	6/9	£778.02
B	7/9	£907.69
C	8/9	£1,037.36
D	**9/9**	**£1,167.03**
E	11/9	£1,426.37
F	13/9	£1,685.71
G	15/9	£1,945.05
H	18/9	£2,334.06

f) That approval is given to the Capital Strategy as set out in Section 6 of the Business Plan.

g) That approval be given to capital expenditure in 2016-17 up to £186m arising from:

- Commitments from schemes already approved; and

- The consequences of new starts in 2016-17 shown in summary in Section 2, Table 5.9 of the Business Plan.

h) That approval is given to the Treasury Management Strategy as set out in Section 7 of the Business Plan.

i) That approval is given to the Prudential Borrowing Prudential Indicators as set out in Appendix 3 of Section 7 of the Business Plan.

4. ALIGNMENT WITH PRIORITIES AND WAYS OF WORKING

4.1 The Business Plan's purpose is to consider and review the Council's vision and priorities and therefore no additional comments are made here.

5. SIGNIFICANT IMPLICATIONS

5.1 The Business Plan has significant resource and performance implications; and significant statutory, risk and legal implications which are covered in the report and throughout the Plan itself. Equality and diversity implications are covered by the Community Impact Assessments, while engagement and consultation implications are covered in the section on the budget consultation. Public Health implications are covered within the detail of the Plan.

Source Documents
General Purposes Committee Business Plan Report of 2 February 2016 Updated Business Plan Documentation to Council 16 February 2016

Changes to the draft Business Plan since the meeting of GPC on 2 February

Note: Page numbers refer to the compiled Business Plan documentation provided for the GPC meeting on 2 February (705 pages in total)

Page	Explanation of Amendment

Section 1 – Strategic Framework

53	The penultimate bullet point on the page now reads: *"our budget will have reduced by £124m…"*

Section 2 – Medium-Term Financial Strategy

76	The following has been added as the penultimate bullet point: *"The Council Tax assumption and forecasts are reviewed each year and updated if necessary"*
79	The final sentence of the second paragraph now reads: *"Our internal modelling of future cuts prudently assumes a similar level of reductions to those seen in 2015-16 over the next five years, as set out below, which has been confirmed by the 2015 Spending Review."*
84	Total funding estimate in the fifth paragraph updated to £547m to reflect revised business rates forecasts, consisting mainly of favourable improvements of forecast collection fund balances from the districts (changes to collection fund balances only have a single year effect), an updated forecast of Education Services Grant, and the announcement of transitional support for RSG reduction. The like-for-like reduction in government funding has been updated to 8.7%. Figure 4.1 has been updated to reflect changes to forecasts, specifically in 2016/17: • Government grants - £105m • Business rates - £61m Final paragraph – overall gross budget reduction updated to 1.3%, and like-for-like reduction to 1.7%, as a result of changes to business rates and grant forecasts, RSG transitional support.
86	In the second paragraph, references to a 2% general limit on the increase in Council Tax have been updated to 1.99% for clarity.
87	Table 4.2 has been updated to reflect the final Environment Agency Levy figure – an extra £3k of pressure starting in year 1.

88	The reference to total savings above Figure 4.2 now reads: *"… find £124m of savings"* to make it consistent with Figure 4.2.
89	Table 4.4 has been updated to take into account changes to business rates forecasts and government grant forecasts, with changes balanced to reserves to maintain the overall budget gap for year 1. The budget gap for subsequent years has increased by £112k due to a ringfenced grant reduction in CFA causing a further service pressure. Total loss/gain in funding is now £-5,888, total reserves is now £8,172 and total budget gap is now £123,671. Added a note below table 4.4 to clarify the demand pressure figures, stating: *"This figure for the demographic pressure assumes that demand will be managed so as to reduce the pressure from the figure in table 4.3. Details can be found in table 3, part A of section 3 of the Business Plan"*
94	Table 5.1 updated to take account of changes outlined below (Table 5.3, p98)
95	The last sentence of the second paragraph now reads: *"The overall change in government funding when specific grants are included is a reduction of 8.7%."* Table 5.2 updated to take account of changes outlined below (Table 5.3, p98)

98	Table 5.3 has been updated as follows:
	• *Inflation pressure increased by £3k to account for the final EA Levy figure.*
	• *Change in reserves has been updated to balance other changes.*
	• *Business Rates plus Top-up has increased by £1,711k to reflect updated forecasts of rates income and collection fund balances from the district. Most of this increase has only a one-year effect.*
	• *Unringfenced Grants increased:*
	    o *By £3,200k for the RSG transitional support*
	    o *By £414k as a result of updated ESG forecasts*
	    o *by £6k as a result of a change in the expected level of Business Rates Compensation grant.*
	• *Ringfenced Grants reduced by £112k to reflect an updated forecast for the Youth Justice Board Good Practice grant.*
	• *Fees and Charges increased by £70k to reflect an additional income target for ETE following the reduction of savings target for school crossing patrols.*

99	Updated table 5.5 to account for revised grant forecasts detailed above.
100	Updated Table 5.6 to reflect the change in a CFA ringfenced grant of -£112k which will increase the service's revised net opening budget to £246,411k as it has been replaced by corporate funding for 2016/17.
101	Updated Table 5.7 to account for the following changes in services' cash limits: • *CFA - £112k increase for year one only to reflect a reduction in a ringfenced grant being replaced by corporate funding for one year.* • *EA Levy - £3k increase to reflect final position* • *Net movement on reserves - £1,602 increase to reflect the balancing of late changes in funding forecasts to reserves.*
109	Updated Table 8.1 to reflect changes to forecast reserves as a result of late changes to funding forecasts. This has had no impact on our forecast for reserve balances as at 31 March 2016, but by 2021 earmarked reserves are forecast to be £59.1m.
111	The third sentence of the first paragraph below the 'General Purposes Committee' heading now reads:*"In order to ensure that the budget proposals that are agreed by service committees have an opportunity to be considered in detail outside of the Council Chamber, those proposals will be co-ordinated through GPC, though Full Council remains responsible for setting a budget."*

Section 3 – Finance Tables

Note: The effects of the changes below on other figures in the finance tables (i.e., sub-totals and totals) are not listed below.

	CFA Tables 1 & 2 have been updated for a reallocation of demography and pressures between policy lines within Adult Social Care. Net budgets have not changed.
124	In Table 1, gross budgets for the following policy lines have changed to (in £000s): • LD Young Adults – 2,219 • City, South and East Locality – 34,833 • Hunts and Fens Locality – 27,696 Net budgets will have changed by the same amounts.
127	In Table 2, Demography for the lines have changed to (£000s): • LD Young Adults – 899 • City, South and East Locality – 369 • Hunts and Fens Locality – 297

<table>
<tr><td></td><td>Pressures have changed to (£000s):
LD Young Adults – 950
City, South and East Locality – 1,520
Hunts and Fens Locality – 1,250</td></tr>
<tr><td>149
149-51
152</td><td>CFA Table 3 has been updated for the following:
A/R.6.999 – CFA unidentified savings increased by £112k in year two as a result of a cut in the Youth Justice Board Good Practice grant
A/R.7.001, A/R.7.205, A/R.8.001 and A/R.8.007 have been altered to account for the change in funding as a result of the above grant reduction
The memorandum detailing the net revised opening budget has also changed as a result of the above grant reduction.</td></tr>
<tr><td>210</td><td>An overview of the services provided by the Cambridge Office of LGSS has now been included – it has been included as Appendix C of this report for reference.</td></tr>
<tr><td>211-214
216</td><td>LGSS Tables 1 and 2 have been updated to correct an error in the opening budgets that resulted in incorrect gross budget and fees & charges figures. The net budget is unaltered, and the correct gross budgets and income figures are in LGSS Table 3.</td></tr>
<tr><td>223-4</td><td>The memorandum included below Table 1 of Public Health detailing the total expenditure of PH grant in the council has been revised to improve clarity, though figures have not changed. The revised memorandum is:
<table>
<tr><th>Service</th><th>Gross Budget 2016-17
£000</th></tr>
<tr><td>Children, Families and Adults Services</td><td>6,422</td></tr>
<tr><td>Economy, Transport and Environment Services</td><td>327</td></tr>
<tr><td>Corporate Services</td><td>201</td></tr>
<tr><td>LGSS - Cambridge Office (Overheads associated with PH function)</td><td>220</td></tr>
<tr><td>PUBLIC HEALTH MANAGED IN OTHER SERVICE AREAS TOTAL</td><td>7,170</td></tr>
<tr><td>Gross expenditure of Public Health Directorate</td><td>20,948</td></tr>
<tr><td>Less Fees & Charges / Contributions / Cash Limit Funding</td><td>-476</td></tr>
<tr><td>EXPENDITURE FUNDED BY PUBLIC HEALTH GRANT TOTAL</td><td>27,642</td></tr>
</table></td></tr>
</table>

Appendix B

Local Government Act 2003: Section 25 Statement by the Chief Finance Officer

1. Introduction

1.1. The Local Government Act 2003 (Section 25) requires that when a local authority is agreeing its annual budget, and precept, the Chief Finance Officer must report to it on the following matters:

- the robustness of the estimates made for the purposes of the calculations; and
- the adequacy of the proposed financial reserves.

1.2. The Council must have due regard to the report when making decisions on the budget and precept. In previous years this commentary has been integrated within the Business Plan itself. This year, given that the Business Plan comes to Council without a recommendation from General Purposes Committee, the Chief Finance Officer feels that it is appropriate to set out his Section 25 Statement separately, and in addition, to the comments contained within the Business Plan.

1.3. In expressing his opinion the Chief Finance Officer has considered the financial management arrangements that are in place, the level of reserves that the Council is carrying, the budget assumptions that have been built in to the Business Plan, the overall fiscal and economic environment and, as a result, the overall financial risks facing the County Council.

2. Revenue Support Grant

2.1. A key element of the level of resources available to the Council to fund services is through the grant that it receives from Government known as Revenue Support Grant (RSG). This funding stream does however continue to diminish and therefore have less impact on the Council's financial standing. However changes to this funding source can still have material impact on the Business Planning process.

2.2. This year the Government undertook a Comprehensive Spending Review (CSR) which was published in November 2015 followed by a provisional grant settlement in December. Given the continuing austerity approach that is core to the Government's management of the economy the Business Plan had already assumed a significant reduction in RSG.

2.3. The Council's medium term financial projections had always assumed that RSG was to be phased out within the period of the Medium Term Financial Strategy. However the CSR expedited this process and the steepness of the removal of RSG was quicker than had been assumed.

2.4. This resulted in an additional £5m pressure over and above that which had been forecast. Furthermore the financial projections had assumed that the introduction of the National Living Wage (NLW), which was a legislative change, would be treated at as a 'new burden' and therefore directly funded by Government. This was not the case and although the Government recognised the pressures facing authorities with care responsibilities no direct funding was provided to meet the cost implications of the NLW.

2.5. Whilst the implications of the NLW have been refined during the business planning process this lack of direct support has resulted in an additional pressure of £4.9m in 2016/17.

2.6. The final grant settlement however introduced a two year transitional grant for those authorities most adversely affected by the redistribution methodology. This sum can therefore be used to mitigate the impact of the National Living Wage for 2016/17 with the balance being covered by projected underspends in the current financial year.

3. Other Pressures

3.1. In addition to reducing RSG other pressures need to be funded within the Business Planning process. These include demography, inflation, and service pressures. The following is a summary of all pressures that have been built into the financial projections within the 2016/17 revenue budget:-

- Inflation - £8.1m
- Demography - £9.5m
- CFA service pressures (excluding NLW) - £6.3m
- ETE service pressures - £0.5m
- CST pressures - £0.6m
- LGSS Cambridge Office pressures – £0.3m
- Loss of Revenue Support Grant - £20.3m
- National Living Wage - £4.9m

4. Adult Social Care Precept

4.1. As mentioned above the Government did recognise the pressures being faced by those councils with social care responsibilities within the CSR. Although no additional funding was made available for 2016/17 the Government has provided the opportunity for councils with care responsibilities to levy an Adult Social Care (ASC) precept equivalent of up to 2% of the council tax for the area. For Cambridgeshire this would equate to additional council tax revenue of £4.8m for 2016/17 financial year.

4.2. However on 14th January General Purposes Committee resolved to instruct the Chief Finance Officer to write to the Secretary of State informing him that the Council was not minded, at that point, to accept the offer. For the purposes of the Business Plan it has therefore been assumed that the ASC Precept will not be levied for any of the four years that the Government has stated that this will be permissible.

5. Savings

5.1 The Council has successfully delivered significant efficiency savings and budget reductions over the last five financial years as follows:

- 2015/16 £29.797m
- 2014/15 £38.224m
- 2013/14 £34.927m
- 2012/13 £42.212m
- 2011/12 £50.350m

5.2 Delivery of further savings therefore becomes increasingly challenging and as a result a more radical and deeper transformation is required to meet future savings targets. The Council has embarked upon a new approach to the way that it delivers services to the communities that it serves and significant investments will be required to facilitate the transition to the new operating model.

5.3 Although the proposals in the Business Plan result in a balanced budget for 2016/17, delivering the savings proposed and meeting the financial challenges beyond the current year cannot be understated.

6. Robustness of Proposals

6.1 Although the Council is considering a balanced set of proposals for 2016/17 delivering a balanced outturn is far more challenging. As the Council gets deeper and deeper into the impacts of austerity the proposals considered to deliver a balanced budget by their nature contain greater risks. In 2015/16 the Council has been the beneficiary of a number of budgetary one-off variances that will not exist in 2016/17. These include funding to support the implementation of elements of the Care Act, which was subsequently deferred, and the financial consequences of slippage in delivery of the capital programme which has now been built in to the base budget.

6.2 There are a number of major risks in the delivery of the 2016/17 budget including:-

- Savings and additional income are overly optimistic
- Managing demand is not effective
- Interest rates and inflation levels increase
- Having the right skills and capacity to deliver the transformation required
- Retaining strong leadership to deliver the transformation required

6.3 Clearly the late notification of transitional grant in the final grant settlement has provided a greater level of confidence that if the Council does encounter difficulties in delivering the savings proposals there are other resources that can be called upon. This would obviously only be as a last resort as the

Council must seek to do all it can to operate within the financial envelope that is set as part of the budget process.

6.2 Given the difficulties in delivering some of the savings proposals in next year's budget greater challenge was built into the business planning process than has been seen in previous years. This required a mini business case to be developed for every saving contained in the Business Plan. This highlighted a number of issues in some of the proposals including:-

- Lack of a clear plan on how the saving would be delivered
- Risks associated with being able to 'manage demand'
- Lack of data upon which the actual numbers were predicated
- Lack of the inclusion of potential investment costs necessary to deliver the changes required
- Absence, in some areas, of supporting information

6.3 In recognition of the aforementioned risks associated with delivering these savings additional mechanisms have been put in place to regularly track and monitor progress. These are being fully implemented for 2016/17 and will attempt to ensure that the risks are proactively managed.

6.4 Delivery of the Business Plan and associated savings proposals is the collective responsibility of the Council's Strategic Management Team. In order to reduce the risk of non-delivery, SMT have introduced a "savings tracker" process. This will regularly review delivery of the savings in the Plan and SMT will take actions should delivery become unlikely.

7. Transforming the Council

7.1 In response to the on-going pressures set out in the MTFS, and being mindful of the need to remain focused on long term financial resilience, the Council is planning deeper transformation to balance the budget beyond 2016/17. The Council does not hold significant reserves and therefore cannot draw on these to mitigate non-delivery of this transformation.

7.2 On the Agenda today is a proposal to change the way in which the Council manages its debt by defraying this over a longer period than it had traditionally done so. The new approach is linked to the asset lives for which that borrowing was required. This does create some immediate financial benefits albeit this will create additional pressures many years in the future.

7.3 It is intended to use the revenue savings created by this change in policy to establish a Transformation Fund. This is a once only opportunity to create a revenue resource that could facilitate the change that this is required in the Council's operating costs. It is therefore imperative that this resource is used wisely and acts as a catalyst to bring the Council in to a more financially sustainable position for the future.

8. Reserve Levels

8.1 The Council's key reserve is the General Reserve. This is held to mitigate against any in-year pressures beyond those that have been built into the business plan. This includes new pressures and to cover the risks associated with delivering the business plan savings. Three years ago the Council agreed that the General Reserve that this should be held at 3% of operating costs. This currently equates to a figure of £16.2m.

8.2 In previous years were the Council to get into financial difficulties in-year there was always the ability to draw upon substantial departmental reserves which at one point were well in excess of £10m. GPC agreed a change to the policy of having departmental reserves. Now all sums held at the end of the financial year are used in the following year to support delivery of transformation or specific proposals. Departmental reserves are therefore, generally, not available to support the Council were it to get into any financial difficulties.

8.3 When the Council agreed to increase the General Reserve to 3% of expenditure it did so against the backcloth of a risk assessment that reviewed key areas of spend and the likelihood of significant budget variations in those areas. Since that point the risks associated with delivery have not diminished, far from it, and therefore it is the Chief Finance Officer's opinion that the level of the General Reserve should remain at 3%. Members will be aware that in the current year it is anticipated that there will be an underspend, largely as a result of non-delivery of the capital programme and this resource is being used to fund the NLW in 2016/17.

9. Conclusions

9.1 Having set out in this report the risks and issues contained within the Business Plan the Chief Finance Officer is of the opinion that the proposals for 2016/17 are relatively robust and largely deliverable. This statement does however highlight that there are a number of risks associated with their delivery. Further work is required in a number of key areas to ensure that the Council keeps within the financial envelope set out in the budget. As a number of the key proposals in the Business Plan are based on the ability of directorates to manage demand-led services significant reliance is being placed on interventions not previously adopted in Cambridgeshire. This is a high-risk area for the Council and their delivery will require focus and robust oversight.

9.2 The Chief Finance Officer also believes that the General Reserve should be held at 3% especially in light of the risks in delivery that have been highlighted in this report.

9.3 The Chief Finance Officer's major concern however is delivering the growing pressures beyond 2016/17. There is already a significant budget deficit in 2017/18 that is predicated on a 1.99% tax increase. With pressures that invariably will arise in-year this challenge will only increase at a point when the Council will be considering its final budget before the May 2017 County Council election.

Section 3 – D: LGSS– Cambridge Office Services Overview

Services to be provided

LGSS is a shared services partnership between Cambridgeshire County Council (CCC) and Northamptonshire County Council (NCC) and provides an extensive range of business support services to the two councils and a range of other public sector organisations.

The services provided to Cambridgeshire County Council by LGSS are as follows:
- Strategic HR and Advisory
- Transactional Services including Payroll & Recruitment, Debt & Assessment and Procure to Pay
- Workforce Strategy and Policy
- Learning and Development
- IT Strategy
- IT Operations
- Finance
- Strategic Asset Management
- Property Services
- Audit and Risk Management
- Procurement
- Insurance
- Business Systems
- Democratic Services
- Legal Services
- Pensions Service

LGSS also discharges certain statutory duties under the Local Government Act, particularly in respect of those that fall to the:
- Section 151 Officer
- Monitoring Officer

In addition to these duties LGSS is responsible for discharging specific duties in respect of employment law, procurement law, and pension administration and investments.

Key outcomes and priorities of the service

Details of the outcomes and priorities of LGSS are set out in the LGSS strategic business plan.

The business ethos of LGSS is '***By the public sector, for the public sector'*** and operates via a not for profit, joint risk/reward business model, which enables all benefits and savings to be shared between LGSS and its customers. This ensures that all efficiency savings remain within the public sector and allows LGSS to operate as a genuine trusted partner.

The business objectives of LGSS are to:
- Enable the delivery of shareholders' and customers' business plans

- Achieve LGSS growth plans consistent with the vision and strategy
- Deliver:
    - efficiency savings commitments
    - our traded commitments
- Demonstrate:
    - improved customer satisfaction ratings year-on-year
    - progress towards becoming the most highly regarded leader in public sector shared services
    - progress towards becoming an employer of choice

How will our services change as a result of this Business Plan?

Business transformation and innovation are crucial elements of the LGSS strategic business plan. Where there is commonality between customers an assessment of current processes takes place in order to identify best practice, integrate, streamline, standardise and deploy the transformation across the customer base. This enables LGSS to offer superior service levels combined with economies of scale in terms of technology, resources and efficiencies.

There has been a significant joining together of teams across Cambridgeshire, Northamptonshire and other LGSS customers since commencement of the partnership. This has enabled LGSS to converge processes and procedures and rationalise IT systems, to deliver significant savings and service improvements.

LGSS has a wide range of programmes in place which will bring improvements in service delivery whilst also meeting the needs of customers. These programmes include:

- Development and implementation of Agresso, our Next Generation Enterprise Resource Planning (ERP) solution, replacing the existing Oracle E-Business suite.
- Implementation and roll-out of LGSS Direct, the LGSS Service Desk self-service solution.
- Implementation of a single Legal Case Management and financial system for LGSS Law Ltd.
- Embedding of Collaborative Planning, a modern Financial Reporting system.
- Embedding K2, a new Assets and Property Management IT solution.
- Implementation of IT service improvements as agreed between LGSS and SMT.