

CHESHIRE EAST COUNCIL

REPORT TO: CORPORATE OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting:	7 th July 2016
Report of:	Chief Operating Officer (Section 151 Officer)
Subject/Title:	Business Planning Process 2017/20
Portfolio Holder:	Cllr. Peter Groves

1 Report Summary

- 1.1 This report updates Corporate Overview and Scrutiny Committee on the Council's Business Planning Process for 2017/18 to 2019/20. A robust Business Planning Process forms part of the continued improvement in financial planning, control and transparency. This enables the Council to deliver a balanced budget through a process that considers priorities, performance, risks and workforce issues.
- 1.2 The Council will continue to demonstrate strong financial management by considering the medium term budget position at an early stage in the year and through successive outturn reports:
 - The 2014/15 outturn position was signed off by the Council's external auditors, without qualification, and demonstrated that the overall financial health, performance, resilience and value for money at Cheshire East Council is strong
 - The Council is due to report its 2015/16 outturn position to Cabinet on 12th July 2016. At Third Quarter a small underspend was forecast signalling that improved budget management has been maintained. In addition, the 2015/16 Draft Statement of Accounts has been issued for public inspection and is currently being audited.
- 1.3 In February 2016 the Council approved the Medium Term Financial Strategy (MTFS) Report incorporating:
 - An Executive Summary from the Portfolio Holder for Finance & Assets setting out the key actions to address the Council's priorities.
 - The Council's MTFS Report 2016/19 setting out how the priorities and actions will be funded.
- 1.4 The MTFS is subject to annual update as further information over funding levels becomes available and the Council develops more detailed plans for later years.
- 1.5 The outcome of the update process will be the production of a revised MTFS Report in February 2017 to set the Budget, Capital Programme and Council Tax.
- 1.6 A comprehensive process is required to achieve that outcome and this report sets out the framework for Members and officers.

- 1.7 A key part of the cycle in 2016 will be the production of an Efficiency plan in October 2016. This plan will enable the authority to secure the 4-year fixed funding deal that Central Government offered as part of The Local Government Final Settlement for 2016/17 announced on 8th February 2016.

2 Recommendation

- 2.1 To note the Business Planning Process for 2017/20 and the availability of officers throughout the process.

3 Other Options Considered

- 3.1 None.

4 Reasons for Recommendations

- 4.1 The Council requires an agreed process to set a budget for 2017/20. However, the Council needs to consider the approach to delivering the Council's Priorities and link those ambitions with resource allocation in a managed way.

5 Background / Chronology

- 5.1 Each year the Council operates a rolling Business Planning Process to match resources with service needs by consideration of the Council's Corporate Plan. This includes consideration of the residents first outcomes, corporate risks and targeted service changes. The process addresses these requirements through four stages: (see Annex 1 for further details)
- Set parameters ~ assess funding levels through reviewing corporate funding assumptions in relation to Council Tax, business rates and grants and the Council's spending commitments going forward.
 - Gather Evidence and Develop Proposals ~ to manage the forecast reduction in resources and additional growth pressures through proposed changes to services.
 - Consult and Refine ~ share the proposals with Corporate Overview and Scrutiny Committee, Members and interested parties for comment and an invitation for further suggestions for making savings or changes. Further internal challenge will develop the detail behind the proposals including consideration of detailed Business Cases in accordance with the principles of the Council's corporate project gateway model (as overseen by the Executive Monitoring Board)
 - Approve ~ Finalise the funding position and proposals. Report to Cabinet and Council to set the Budget.

5.2 Key dates to note:

Set parameters	April to May
Gather Evidence and Develop Proposals	June to September
Consult and Refine	October to January

- 5.3 The Corporate Overview and Scrutiny Committee will be provided with updates on the process through regular Finance Briefing sessions and specific reports at key stages including in-year performance and the proposals being used for engagement.
- 5.4 The Committee and all elected Members will be asked to comment on the draft proposals and put forward any ideas they have for spending in different areas or opportunities to make savings. Responses can be made by via the Chief Operating Officer.

6 Wards Affected and Local Ward Members

- 6.1 Not applicable.

7 Implications of Recommendations

7.1 Policy Implications

- 7.1.1 The report outlines the need to generate policy proposals which will impact on service delivery.

7.2 Legal Implications

- 7.2.1 The Council should have robust processes so that it can meet statutory requirements and fulfil its fiduciary duty.

7.3 Financial Implications

- 7.3.1 The report includes details of a process to generate policy proposals which will affect service budgets from 2017/18 onwards.
- 7.3.2 The baseline for 2017/20 business planning is the 2016/17 budget.

7.4 Equality Implications

- 7.4.1 The Council has a statutory duty to understand the equality impacts of its decisions, policies, strategies and functions.
- 7.4.2 The Council needs to ensure that its budget decisions do not discriminate against any group and promote equality of opportunity and good community relations. The Council undertakes equality assessments where necessary, and continues to do so as projects develop across the lifetime of the Corporate Plan. This process helps us to understand if our budget proposals:
- Have an adverse impact on any of the protected characteristics listed in the 2010 Equality Act.
 - Result in direct or indirect discrimination.

7.4.3 The process assists us to consider what actions could address or alleviate any adverse impact and help us to recognise where investment could alleviate an adverse impact from a saving.

7.4.4 Completed equality assessments form part of any detailed Business Cases.

7.5 Rural Community Implications

7.5.1 The process will create policy and budget proposals which will impact on service delivery across the Borough.

7.6 Human Resources Implications

7.6.1 The process will highlight any workforce implications for consideration.

7.7 Public Health Implications

7.7.1 The process will highlight any public health implications for consideration.

7.8 Other Implications

7.8.1 The Council has a statutory duty to consult with certain groups on its Budget Proposals and as part of the implementation of certain items. This will be considered as part of the process.

8 Risk Management

8.1 The steps outlined in this report will significantly mitigate the four main legal and financial risks to the Council's financial management:

- The Council must set a balanced Budget.
- The Council must set a legal Council Tax for 2017/18.
- The Council should provide high quality evidence to support submissions for external assessment.
- Council borrowing will comply with the Treasury Management Strategy which is underpinned by the Prudential Code.

8.2 The Business Planning Process itself has been reviewed in terms of equality impact. The conclusion is that the process does not disadvantage any of the groups with protected characteristics. Setting and approving the Budget is a democratic process which involves all elected Members (representing all communities within Cheshire East). The Council also places information on its website to inform and engage with all service users.

12 Access to Information

12.1 The background papers relating to this report can be inspected by contacting:

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Annex 1: Business Planning Process 2017/20

