



REPORT of DIRECTOR OF RESOURCES

to
FINANCE AND CORPORATE SERVICES COMMITTEE
14 JUNE 2017

STRATEGIC AND FINANCIAL PLANNING PROCESS

1. PURPOSE OF THE REPORT

- 1.1 To agree the annual Strategic and Financial Planning Process (S&FPP) for 2018 / 19.

2. RECOMMENDATION

That the Strategic and Financial Planning Process for 2018 / 19 as set out at **APPENDIX 1** be approved.

3. SUMMARY OF KEY ISSUES

- 3.1 The latest estimate of the budget gap in the Medium Term Financial Strategy (MTFS) is summarised below.

	2018 / 19	2019 / 20	2020 / 2021
	£000	£000	£000
Gap per MTFS Feb 2017 Council	448	527	69
<i>Final Settlement</i>			
Additional Rural Services Delivery Grant	5		
Revised gap	453	527	69

- 3.2 Whilst the Council has a strong record in delivering efficiency savings with minimal impact to front line services the challenge to deliver balanced budgets in 2018 / 19 and 2019 / 20 is significant.
- 3.3 As set out in the paper to the Council in February, our approach to source efficiencies in the future will be via:
- alternative delivery model of our services, where practicable and there is a financial business case to do so.
 - asset rationalisation regarding existing use of office buildings.
 - effective use of assets – challenging the asset base and the use of assets and looking to manage and plan maintenance in the most effective way.

- working in partnership with both private and public bodies to improve quality and scope of service and reduce costs.
 - improving efficiency where possible but the scale of the financial constraint will almost certainly require reductions in services.
 - exploring new areas of income generation activities.
 - smarter procurement processes and ways of working.
 - the Council uses a number of service review methods to identify efficiency savings, for example, best value reviews, benchmarking performance with other authorities, testing costs in a range of alternative service delivery options.
- 3.4 The Strategic and Financial Planning Process (S&FPP) and timetable attached in **APPENDIX 1** aims to build on our success and sets out the work that will be undertaken to seek necessary budgetary savings to move towards a sustainable financial position.
- 3.5 The timetable includes a number of opportunities where Members can have a direct influence to the budget setting process (highlighted **bold** in **APPENDIX 1**). It is also suggested that Star Chamber meetings should be held with the Leader of the Council, Deputy Leader of the Council and Chairmen of the three Programme Committees, after their appointments at the Statutory Annual meeting of the Council, and the Corporate Leadership Team to:
- examine the 2016 / 17 outturn position;
 - review the existing fees and charges policies;
 - review capital, revenue growth and savings proposals submitted by Officers.
- 3.6 It is suggested that there will be two Member Seminars, one in July and one in November. All Members will be invited to attend to receive an update on the transformation programme in July and outcome of the Star Chamber meeting in November. In addition to the above, monthly MTFS updates will be provided to all Committee Chairs and Leader and Deputy Leader of the Council. There will be regular reporting on the budget setting process back to this Committee throughout 2017 / 18.
- 3.7 In previous years, the Council has been reliant on soft savings and additional income to balance the budget in years to date and the scope for the identification of future soft savings is diminishing. The attached timetable involves Officers' and Members' inputs at an early stage and aims to allow sufficient time for consultation to be carried out for savings proposals before the 2018 / 19 budget is finalised.

4. CONCLUSION

- 4.1 The proposed framework will drive the budget process for 2018 / 19.

5. IMPACT ON CORPORATE GOALS

- 5.1 The S&FPP will contribute towards our corporate goal “Delivering good quality, cost effective and valuable services”.
- 5.2 The proposed process and timetable is designed to ensure that resources are directed towards the achievement of Council goals, vision, and that decisions follow a logical order.

6. IMPLICATIONS

- (i) **Impact on Customers** – Consultations will be undertaken to listen to the views of customers and the community with the aim of responding to their needs where possible.
- (ii) **Impact on Equalities** – Due regard to equality impact will be taken when making decisions arising from the S&FPP.
- (iii) **Impact on Risk** – The implementation of the S&FPP is designed to minimise the risk of not having a robust Medium Term Financial Strategy.
- (iv) **Impact on resources (financial)** – The process provides a framework for allocating resources.
- (v) **Impact on Resources (human)** – None arising from this report.
- (vi) **Impact on the Environment** – None.

Background Papers: None.

Enquiries to: Emma Foy, Director of Resources, (Tel: 01621 875762).