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The Chair and Members of Overview  
and Performance Scrutiny Forum

14 November 2016

Dear Councillor,

Please attend a meeting of the OVERVIEW AND PERFORMANCE SCRUTINY FORUM to be held on TUESDAY, 22 NOVEMBER 2016 at 5.00 pm in Committee Room 1, Town Hall, Chesterfield, the agenda for which is set out below.

AGENDA

Part 1(Public Information)

1. Declarations of Members' and Officers Interests relating to items on the Agenda
2. Apologies for Absence
3. Leader and Cabinet Member for Regeneration - General Fund Revenue and Capital Budget Monitoring and Updated Medium Term Financial Forecast (Pages 3 - 22)
  - *Introduction of new Director of Resources, Kevin Hanlon.*

5:05pm

4. Review of Work Programme Action Planning Days (Pages 23 - 32)
  - *To receive feedback and suggestions*

- *To decide on next actions*

5:40pm

5. Corporate Working Groups

- *Progress report from Councillor Derbyshire as scrutiny committee appointee to the Member Development Working Group.*

6:10pm

Yours sincerely,

A handwritten signature in black ink, appearing to be 'D. Derbyshire', written in a cursive style.

Local Government and Regulatory Law Manager and Monitoring Officer

## **For publication**

### Budget Monitoring for 2016/17 & Updated Medium Term Financial Forecast

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Meeting:	Council Cabinet
Date:	14 <sup>th</sup> December 2016 15 <sup>th</sup> November 2016
Report by:	Acting Chief Finance Officer

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## **For publication**

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### 1.0 **Purpose of report**

1.1 To provide the Council with an update on the budget position at the end of the second quarter, covering:

- General Fund Revenue
- General Fund Capital
- Housing Revenue Account
- Housing Capital Programme

1.1 To meet the requirement in the Financial Procedure Rules to provide the Council with regular updates on the Council's financial position.

### 2.0 **Recommendations**

2.1 To note the financial performance in the first half of the financial year and the new medium term forecast (Sections 4 and 7).

2.2 To note the Efficiency Plan submitted to DCLG (para 3.2).

- 2.3 That the proposed use of reserves as set out in Section 6 of the report be reviewed and confirmed.
- 2.4 To note the changes to the HRA budgets (Section 8).
- 2.5 That the budget preparation guidelines in para. 9.1 be approved.
- 2.6 That the approach to budget consultation be considered (para. 9.3).

### 3.0 **Background**

- 3.1 The Council approved the original budget for 2016/17 on 25<sup>th</sup> February 2016. The Band 'D' Council Tax was set at £149.89. After allowing for planned savings of £1,029k, there was a forecast net budget deficit of £236k. Importantly, this position was only achieved after assuming that all the New Homes Bonus allocation (£902k) and the whole of the estimated gain from Business Rates Pooling (£412k) are used to support the budget.
- 3.2 All of the indications are that the medium term outlook will continue to be challenging. The publication of indicative grant figures for three further years in the 2016/17 settlement has helped to make future forecasts more robust. However, to obtain certainty and stability, the Council applied to take up the offer from the Department for Communities and Local Government of a four year funding settlement and provided them with an Efficiency Plan on 14<sup>th</sup> October 2016. A copy of the Efficiency Plan is included in Appendix A.
- 3.3 Any announcement for 2017/18 and future years will follow the release of the 2016 Spending Review on 23<sup>rd</sup> November 2016. The Medium Term forecast approved by the Full Council on 25<sup>th</sup> February 2016 showed deficits, before the savings targets are taken into account, of £1.3m in 2016/17 rising to £2.7m by 2020/21.

### 4.0 **Current Year's Budget**

- 4.1 We started the year with a forecast deficit of £236k after allowing for £1,029k of savings. At the end of the second quarter adjustments to the savings target and other variances have

produced a revised deficit forecast of **£326k**. A summary of the key variances is provided in the table below:

<b>2016/17 UPDATED BUDGET DEFICIT FORECAST – TO QUARTER 2</b>		
Deficit Forecast at the start of the year		236
<b><u>Budget Saving - increased income:</u></b>		
Queens Park Sports Centres	(206)	
Industrial/Commercial/Retail rental income	(209)	
Renewal of leases	(126)	(541)
<b><u>Budget Saving - reduced expenditure:</u></b>		
Energy budgets	(70)	
Vacancy savings above profiled allowance	(130)	
Grants to Voluntary Organisations	(27)	(227)
<b><u>Budget Increase - reduced income:</u></b>		
Commission from collection of fees	30	
Community Infrastructure Levy	25	
Car Parking	140	
Market Rents	48	243
<b><u>Budget Increase - increased expenditure:</u></b>		
Housing benefits	261	
Old QPSC	85	
Pension costs	23	369
<b><u>Adjustments to savings Targets:</u></b>		
Reversal of original budget	1,029	
Budget challenge	(173)	
Action Plan – Savings achieved	(507)	
Cease & Reduce	(116)	233
Net of all other variances		13
<b>Updated Deficit Forecast</b>		<b>326</b>

4.2 The updated deficit forecast must be reduced in the remaining months of the financial year to avoid or minimise any call on

reserves to make up any residual shortfall. Failure to deliver the required savings in the current financial year will put even greater pressure on future years when the savings targets are already challenging and far greater than those for 2016/17. The actions being taken to reduce the forecast deficit include a voluntary redundancy initiative and strict vacancy control measures. Further work on identifying savings is ongoing.

- 4.3 The first draft budget report for 2017/18, including revised estimates for 2016/17, will be presented to the Cabinet in December. The draft budget report will provide a more up-to-date and comprehensive budget forecast.

## 5.0 **General Fund Capital Programme**

- 5.1 Capital Receipts - To date, capital receipts of £166k have been received. The original forecast for the year was £1.8m but was revised down in the recent budget monitoring report to just £1,029k. This does not include the repayment of the loan by Chesterfield Football Club. The £1,029k has now been revised to £2.6m to reflect repayment of the football club loan and rephrasing of capital receipts for the former fire station and 87 New Square.

- 5.2 General Fund Capital Spend –the original capital budget for 2016/17 was £2.3m. The revised forecast is £6.2m, the £3.9m increase is due to:

- Inclusion of the Waterside infrastructure scheme, the cost of which will be recovered from the landowner - £2.4m;
- An increased allocation for Disabled Facilities Grants from the Better Care Fund - £0.3m;
- Re-profiling of expenditure on the old Queen's Park Sports Centre plus additional spend to deal with unforeseen costs £0.2m;
- Town Hall Alterations moving into 2016/17 plus additional costs for asbestos removal, £0.4m;
- Inclusion of new schemes for Northern Gateway £0.1m, refurbishment of the Winding Wheel lifts £0.1m, Museum Store £0.2m and the Market Hall café £0.1m

- 5.3 Net Capital Financing – The original budget assumed a break even position. The revised capital programme was approved by

Council on 14<sup>th</sup> October 2016. A break even position was achieved by approving additional prudential borrowing of £383k and deferring repayment on prudential borrowing of £994k by one year. An updated capital programme will be reported to members in February 2017.

## 6.0 Reserves

6.1 In addition to the General Working Balance, which is maintained at £1.5m, the Council operates a number of other reserves. Many of the reserves are earmarked and committed for specific purposes, such as property repairs and vehicle & plant replacements. There are three major reserves where the Council has wider discretion on how they are used – the Budget Risk Reserve, the Invest to Save Reserve and the Service Improvement Reserve.

6.2 **Budget Risk Reserve** – the Council maintains this reserve as a supplement to the Working Balance. It is also used to finance the severance costs arising from voluntary staffing reductions and the outcomes of service restructuring exercises. The table below shows the opening balance in the reserve at the start of the financial year and the currently approved or anticipated movements on the reserve. There will be other commitments to include as decisions on new VR/VER applications are determined. There are two new applications of the fund to note:

1. Severance costs arising from the VR/VER initiative at the start of the year were £405k.
2. A carry forward request of £16k for Local Plan preparation costs was approved by Cabinet in June 2016.

<b>Table – Budget Risk Reserve</b>		
	<b>Updated Forecast £'000</b>	
<b>Balance b/fwd 1<sup>st</sup> April</b>	<b>1,043</b>	
<u>Less Approved Commitments:</u>		
Land Charges claims	<b>(16)</b>	
Erin Road Pumping Station	<b>(7)</b>	
Private sector stock survey	<b>(26)</b>	
15/16 carry forward – Local Plan	<b>(16)</b>	Cab 14/6/16

Contribution to group litigation claim for damages re incorrect VAT treatment	(7)	
Dilapidation costs Whitting Valley Road	(17)	
PSN compliance and ICT Project Days	(79)	
VR/VER severance costs	(405)	
Health & Safety Prosecution	(25)	
IDOX – reimbursement (Year 1)	30	
<b>Uncommitted Balance</b>	<b>475</b>	

- 6.3 **Invest to Save Reserve** – The table below shows the opening balance in the reserve at the start of the financial year and the currently approved or anticipated movements on the reserve. The reserve is therefore almost fully committed so any future bids will have to be funded from one of the other usable reserves.

<b>Table - Invest-to Save Reserve</b>		
	<b>Updated Forecast £'000</b>	
<b>Balance b/fwd 1st April</b>	<b>274</b>	
<u>Less Approved Commitments:</u>		
Customer Service Strategy - capital	(105)	
Local Collective Agreement	(10)	
Car park improvements	(111)	
Budget Savings Delivery	(40)	
Treasury management – Property Funds	(7)	
<b>Uncommitted Balance c/fwd</b>	<b>1</b>	

- 6.4 **Service Improvement Reserve** – The table below shows the opening balance in the reserve at the start of the financial year and the currently approved or anticipated movements on the reserve:

<b>Table - Service Improvement Reserve</b>		
	<b>Updated Forecast £'000</b>	
<b>Balance b/fwd 1<sup>st</sup> April</b>	<b>989</b>	
<u>Less Approved Commitments:</u>		
Linacre Master Planning	(39)	



Project Academy (balance)	(13)	
Car parking improvements	(15)	
Innov Centres – telephony system	(204)	
Innov Centres – telephony system - repayments	34	
Northern Gateway	(100)	
Budget Savings Delivery	(110)	
Contribution towards GPGS costs	(5)	
Market Hall café refurbishment	(72)	Cabinet 20/9/16
HLC – reconfigure admin space	(46)	Cabinet 14/6/16
Town Hall restack	(138)	Cabinet 15/11/16
<b>Uncommitted Balance</b>	<b>280</b>	

6.5 The uncommitted balances in these three major reserves have now reduced to £0.76m, from £2.3m at the start of the year. There will be significant demands on these reserves to fund budget deficits, investment in transformation projects and to pay for severance costs from staffing restructures. The Cabinet should, therefore, continually review the commitments against these finite financial resources to ensure that they are used in the most effective way.

## 7.0 Medium Term Outlook

7.1 The latest medium term forecast indicates significant deficits in all years. In 2016/17 the deficit has increased by £90k but savings required to achieve the original deficit target have been met in part. The table below compares the latest forecast with the original budget forecast (before savings targets) approved in February:

	<b>Budget Deficit Forecasts</b>			
	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>
<b>Latest Forecast</b>	<b>326</b>	<b>594</b>	<b>680</b>	<b>1,310</b>
Feb 2016 Deficit/(Surplus)	236	(28)	(23)	631
Amount of savings	1,029	2,026	2,236	2,236

required to achieve Feb 2016 Deficit/(Surplus)				
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## 8.0 Housing Revenue Account (HRA)

8.1 **Housing Revenue** - At the half year all major income sources, including housing rents, were on target. Expenditure was also in line with the profiled budget, except for Housing Repairs Responsive works which showed an overspend of £336k. However, this was offset by an underspend of £284k on Housing Repairs Planned works, resulting in a net overspend of £52k on repairs to housing properties during the 6 month period.

The repairs budget, and the way in which the maintenance programme for housing stock is delivered, is currently subject to an in-depth review by Savills, in consultation with officers, tenants and elected members. The financial outcomes of this review will be incorporated into the HRA budget for 2017/18 onwards.

8.2 **Housing Capital Programme** - The original HRA capital budget for 2016/17 was £21,975,158. This has now increased following the addition of approved carry forwards (£2,460,900) in relation to schemes not completed in 2015/16. This gives a total budget of £24,436,058 for the year. At the end of September spend was £3 million below the budget profile due to work on some contracts starting later than forecast. Therefore, it is anticipated that it may be necessary to seek approval to carry forward some of the budget into 2017/18 to enable these works to be completed.

8.3 **Future Pressures on the HRA** – In the July 2015 Summer Budget the Chancellor announced a number of changes that will have an impact on the delivery of housing services and the financial viability of the HRA Business Plan. The most significant change was the requirement to reduce social housing rents in England by 1% a year for 4 years from 2016/17. It is estimated that this change will result in a loss of £10 million of rental income over the 4 year period. Officers are currently modelling various options for the Business Plan and a separate report will be presented to Members shortly.

## **9.0 2017/18 BUDGET PREPARATION PROCESS**

9.1 The budget preparation process started in September when budget working papers and guidelines were issued to budget holders. The budgets are prepared on an 'incremental' basis i.e. taking last year's budget as the base and making adjustments for the following:

- Variances that have been reported to and approved by the Cabinet.
- Pay inflation – an allowance of 1% in future years.
- Energy and property maintenance inflation as advised by the Facilities Maintenance Manager.
- Contract inflation as specified within contracts – assuming
  - RPI of 2.0% in 2017/18 and 3.0% in future years; and
  - CPI of 1.0% in 2017/18 and 2.0% in future years.
- Business rates are based on the RPI in the previous September – a rate of 2% for 2017/18 and 3% in subsequent years is assumed.
- No inflation on other general items of expenditure including grants to voluntary organisations.
- Fees and charges increases – an increase of 3% per annum for the period of the MTFP but only where it is considered that the market will bear such an increase.

These budget assumptions will be revised on a continual basis as we move through the budget process and as more up-to-date information becomes available. Cabinet is asked to note the budget setting guidelines.

9.2 In terms of the Member reporting process:

- a) Quarter 2 budget monitoring and updated medium term forecast report for Cabinet (November) and full Council (December).
- b) Approval of the Localised Council Tax Support Scheme for 2017/18 to the full Council in December.

- c) Monthly Corporate Cabinet/Corporate Management Team budget priority setting workshops arranged from September through February;
- d) Executive Member portfolio budget reports will be produced for consideration in early December.
- e) The Cabinet will consider the first draft budget in mid-December and the final budget report in February.
- f) The full Council will approve the final budget and council tax at the end of February 2017.

Updates will also be provided to the Overview and Performance Scrutiny Forum at key stages in the process.

- 9.3 Consultation with the public – a new consultation process was introduced for the 2015/16 budget setting process which involved presentations and voting exercises at the four Community Assembly meetings during November. The feedback on this new arrangement was generally positive. New arrangements for community engagement were introduced for 2016/17 and community assembly meetings were stopped. However, it is proposed that we hold a one-off community assembly in January to facilitate consultation with the public with a similar format to previous years.

## **10.0 Risk Management**

- 10.1 Budget forecasting, particularly over the medium term, and in the current economic climate is not an exact science. Assumptions have to be made about possible changes where the final outcome could be very different e.g. government grants, pay awards, investment returns, etc. A full budget risk assessment will be included in the budget setting reports later in the process.

## **11.0 Legal Considerations**

- 11.1 There is a legal requirement for the Council to set a balanced budget before the start of each financial year and for the Director of Resources to report on the robustness of the estimates and the adequacy of the reserves. Clearly, there is lot of work to be done over the coming months to reduce the budget deficit forecast in the current financial year and to be in a position to set a balanced budget for 2017/18 in February 2017.

## **12.0 Conclusions**

- 12.1 We are facing a potentially significant budget deficit in the current financial year and some major financial challenges in the years ahead. It is possible that the current years' deficit could be reduced through tight budgetary control through the remainder of the year and the delivery of further savings, with any residual deficit being met from reserves. But we have to maintain our focus on the medium term where the scale of the forecast deficits is such that some significant budget savings are going to have to be implemented. At the same time there are a number of risks that could add further pressure to the forecast deficits in future years e.g. impact of 2017 revaluation on Business Rates income.
- 12.2 The sooner the savings are made the better, as any delay will add further pressure to the future. For example, the £594k deficit forecast for 2017/18 will require savings equivalent to £50k per month to be found if implemented from the 1<sup>st</sup> April 2017 but the monthly target will double to £100k if implementation is delayed by six months. Achieving savings of this magnitude will require some fundamental changes to the range and quality of the services the Council provides.
- 12.3 Delivering the required budget savings has to be the number one corporate priority.

## **13.0 Recommendations**

- 13.1 To note the financial performance in the first half of the financial year and the new medium term forecast (Sections 4 and 7).
- 13.2 To note the Efficiency Plan submitted to DCLG (para 3.2).
- 13.3 That the proposed use of reserves as set out in Section 6 of the report be reviewed and confirmed.
- 13.3 To note the changes to the HRA budgets (Section 8).
- 13.5 That the budget preparation guidelines in para. 9.1 be approved.

13.6 That the approach to budget consultation be considered (para. 9.3).

## 14 Reasons for recommendations

14.1 To monitor the Council's finances.

### Decision information

<b>Key decision number</b>	<b>660</b>
<b>Wards affected</b>	<b>All</b>
<b>Links to Council Plan priorities</b>	

### Document information

<b>Report author</b>	<b>Contact number/email</b>
Helen Fox	01246 345452 helen.fox@chesterfield.gov.uk
<b>Background documents</b> These are unpublished works which have been relied on to a material extent when the report was prepared.	
<i>This must be made available to the public for up to 4 years.</i>	
<b>Appendices to the report</b>	
Appendix A	Efficiency Plan 2016/17 to 2019/20

# Efficiency Plan 2016/17 – 2019/20

## 1.0 Introduction

- 1.1 Our efficiency plan has been developed so that the Council can qualify for a four year funding settlement from Government for the period 2016/17 to 2019/20.
- 1.2 We believe a four year settlement is essential to the medium-term financial stability of the Council although it only relates to the Revenue Support grant, which is a decreasing proportion of the Council's total financing requirement. This settlement will support delivery of the medium-term financial strategy agreed by Council in February 2016.

## 2.0 The financial challenge

- 2.1 Since 2010 the Council has seen significant year on year funding reductions with the Revenue Support grant falling from £10,150,000 in 2010/11 to £1,836,000 in 2016/17. Our medium-term financial forecast assumes further reductions over the next 3 years to £434,000 by 2019/20.
- 2.2 The medium-term financial strategy and forecast approved in February 2016 showed that savings of £8.3m were required over the four year period of this efficiency plan. Of this, £7.5m have been identified and work continues to deliver these savings. The table below shows the phasing and extent of the challenges faced.

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Estimated income from traditional sources of funding (incl. Revenue Support grant, NNDR, Council tax)	(10,491)	(10,195)	(9,912)	(9,726)
Net expenditure	11,756	12,193	12,125	12,593
Savings identified	(1,029)	(2,026)	(2,236)	(2,236)
Forecast (surplus)/deficit	236	(28)	(23)	631
Total savings required	1,265	1,998	2,213	2,867

- 2.3 The level of reserves at the start of 2016/17 was £7.2m. This is expected to fall to £3m by the end of the year due to use of earmarked reserves for

property repairs, equipment replacement and financing of an increased provision for backdated business rate appeals.

### **3.0 The Council's Priorities**

- 3.1 Following a Local Government Association Peer Challenge in late 2013, a recommendation was made that Council sets out its strategic plans on a longer term basis. A four year Council Plan is one element of the Council's response to this, along with a revised medium-term financial strategy and plan, and strengthened transformation programme. These enable the Council to plan effectively for the financial and policy challenges it faces.
- 3.2 The Council Plan 2015 – 2019 defines the Council's vision, key priorities and aims, taking account of and responding to a wide range of evidence on the current "state of the borough". The plan provides focus and sets out a range of policy and service commitments that will require collective corporate effort from elected members and officers.
- 3.3 The Council's Vision is "Putting Our Communities First" and its key priorities:-
- To make Chesterfield a thriving borough
  - To improve the quality of life for local people
  - To provide value for money services
- 3.4 Underpinning the entire plan is the objective to become financially self-sufficient by 2020, so we can continue to deliver the facilities and services our communities need.

### **4.0 Responding to the challenge**

- 4.1 We have a proven track record of successfully responding to the financial pressures currently facing local government while maintaining quality public facilities and services with high satisfaction levels. We are continuing on our successful transformation journey and the following paragraphs highlight the activities we have already started and/or intend to progress during the course of the period 2015-2019.



### Great Place: Great Service (GP:GS) transformation programme

4.2 The GP:GS programme comprises four key strategies of Customer Service, ICT, Workforce and Asset Management and aims to transform and modernise facilities and service delivery. It is a ten year (2015 – 2025) transformation programme, which is being delivered through a range of workstreams including:

- Establishing solid foundations
- Smarter working
- Estate rationalisation
- Commercialisation
- Procurement
- Change readiness and change management

4.3 Over the ten year period, we estimate that the programme will generate £4.07 million of additional revenue income and £25 million plus of extra capital resources.

### Budget Action Plan

4.4 The Council has also developed a budget action plan, which is subject to regular review, and includes a range of efficiency saving activities:

- Cease and reduce - the Council's medium-term financial strategy promotes the view that resources should be re-directed or re-allocated to the Council's stated priorities. A range of services have therefore been identified for either complete cessation or reduction using lean thinking techniques to challenge traditional systems and processes and increase efficiency, enhance service delivery and drive cost savings. Recent reviews of CCTV, building cleaning, sustainability, arts development, community engagement and democratic services have produced significant savings for the General Fund.
- Implementing annual budget challenge sessions for all services
- Significantly reducing the size of the Council's senior management structure



- Introducing a voluntary redundancy / voluntary early retirement scheme (VR/VER)
- Executing a new pay and performance agreement
- Developing and delivering a commercialisation strategy
- Establishing an Invest to Save reserve to fund initiatives which will save money with a payback period of no more than three years
- Establishing a budget risk reserve to cover budget risks and to help finance the severance costs from staffing reductions arising from implementation of the VR/VER scheme and wider transformation programme
- Accelerating the sale of surplus assets to provide capital receipts to offset the need for prudential borrowing and fund the GP:GS transformation programme
- Review of major contracts to achieve economies of scale – we are actively looking at the possibility of jointly re-procuring the Waste Collection and Recycling contract with neighbouring authorities.
- Shared services – we are currently leading on the establishment of a Derbyshire-wide building control service and exploring other shared services opportunities with Derbyshire and Sheffield City Region authorities.

#### Growing our economic base

- 4.5 The Council sees the economic development of the borough as a major contributory factor to balancing the books. There are a number of schemes currently being delivered, which will create hundreds of new jobs, increase housing provision and deliver new retail, commercial and leisure opportunities.
- 4.6 Major schemes include the redevelopment of an area of Chesterfield town centre to include a new hotel, restaurants and small business units (Northern Gateway), the opening of a £400 million tourism destination resort on the edge of the borough (Peak Resort), and the £340 million development of an area of derelict industrial land, which will provide

substantial numbers of new housing units, alongside retail and commercial opportunities (Waterside).

- 4.7 These economic development activities have been partly funded by Sheffield City Region, with the Council looking to achieve full constituent membership of the Sheffield City Region Mayoral Combined Authority and access to the full benefits of the devolution deal agreed with Government from May 2017. While the above activities have a clear and positive economic impact for the Borough and its communities, they also have the potential to make a significant contribution in terms of alleviating the financial pressures we face by increasing our council tax base, generating additional new homes bonus receipts and growing our share of business rates income.

#### Funding Certainty

- 4.8 Our plans for investment in economic development activities are medium to long term and therefore certainty around central government funding over the next four years is critical to our ability to commit and invest in such activities; activities that do not deliver immediate savings but which will help us to achieve our target of financial self-sufficiency by 2020.

#### Use of Reserves

- 4.9 We have recently reviewed our levels of reserves and are predicting that they will be close to £4 million by 2019/20. This is considered adequate given the Council's known investment needs and the risks we face, but reserves can only be used once. The focus must therefore continue to be on managing the Council's base budget by reducing expenditure and increasing income.
- 4.10 Our policy on the use of reserves is to use earmarked reserves for their intended purpose with surplus reserves used for investment in the Council's priorities and/or the GP:GS transformation programme.

## 5.0 **Risks & Uncertainties**

- 5.1 The Council's Annual Governance Statement and Risk Management Strategy both highlight our ability to deliver the savings and income required to achieve a balanced year on year budget as a key risk for the authority.
- 5.2 This risk is compounded by a number of external factors that are beyond our influence, but which will potentially have a significant impact on our traditional sources of funding:

Risk	Issues
Volatility of business rates	<ul style="list-style-type: none"> <li>• Resetting of Business Rates baseline</li> <li>• Uncertainty of outcomes of Business Rates appeals and impact on revenue</li> </ul>
New Homes Bonus	<ul style="list-style-type: none"> <li>• 100% currently utilised to fund services</li> <li>• Government have indicated that scheme will be subject to change but have given no indication of scale or timing</li> </ul>
Leaving European Union	<ul style="list-style-type: none"> <li>• Uncertainty around economic growth with consequent impact on major income streams for authority such as planning fees/commercial rents etc.</li> <li>• Impact on investment returns</li> </ul>

## 6.0 **Governance & Monitoring**

- 6.1 This Efficiency Plan will be monitored and reviewed throughout the financial year as part of our financial reporting arrangements. These arrangements include budget challenge sessions at monthly meetings of the Council's Cabinet and Corporate Management Team, quarterly reporting of the Council's latest budget position to meetings of the Cabinet and Overview and Performance Scrutiny Forum, and the annual cycle of Council meetings to set the council tax and approve the budget estimates for future financial years.
- 6.2 The GP:GS executive board, which is made up of elected members, senior officers, trade union representatives and senior staff from our public/private partnership delivery partners, also meets monthly to monitor progress against the key transformation programme objectives and to ensure that

any actions required to keep projects on track are properly resourced and undertaken.

## **7.0 Conclusion**

7.1 Chesterfield Borough Council already operates on a four year strategic planning horizon. The Council Plan 2015-19 sets out the Council's vision, strategic priorities and key policy and service commitments. Plan delivery is, however, contingent on the quality of construct of the Council's medium-term financial strategy and plan and our ability to align sustainable budgetary provision to the commitments made. As is referenced above, the Council is well placed through the GP:GS transformation programme and other agreed measures to deliver the savings required to achieve a balanced budget over the period 2015-19 and beyond; and from 2020 to move to a position of financial self-sufficiency. Nonetheless having surety of Revenue Support grant allocations for the period 2016/17 to 2019/20 would be a welcome constant at this point in time and we therefore respectfully ask that the Government affords Chesterfield Borough Council a four year funding settlement in response to our submission of this Efficiency Plan.

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CHESTERFIELD  
BOROUGH COUNCIL

# Overview & Scrutiny Work Programming

Corporate Cabinet & CMT away-day - 8.11.16

## Our Overview & Scrutiny Journey

- CfPS Award 2012 – shortlisted for Innovation
- Corporate Reviews – External 2011 / Internal 2014
- And we've been busy implementing changes ...
  - Building executive / scrutiny relationships
  - Pre-decision scrutiny focus
  - Development – members and officers
  - More robust work programming





## Today's discussion :

- Remind ourselves of the O&S work programming process and activities for 2016/17
- Share key messages from work programming evaluation feedback
- Discuss improvement ideas and actions for 2017/18 work programming



## Programming process & activities 2016/17:



- Early consultation with Cabinet Members and SMT/CMT for their best availability;
- Scheduled/planned 2 Work Programme Action Planning Days to take place after Council Plan and Budget approved by Council :
- **Action Planning Day 1 (8.3.16) :**
  - Involved Cabinet, O&S and all backbench members plus SMT/CMT;
  - Received 10 minute Cabinet Member presentations on key plans and priorities from all portfolios;
  - Opportunity for quick questions and clarifications;
  - Everyone worked in small/mixed groups to discuss and agree long list of potential business items for scrutiny, each group agreeing up to 5 items only, and specifying those suitable for Scrutiny Project Group work;
  - Outputs and next steps summarised by O&S Chair

## ... process & activities 2016/17 – cont'd

- **Action Planning Day 2 (19.4.16) :**
  - Involved O&S and other non-executive members;
  - Worked in small groups to prioritise and score the long list of business items from Action Planning Day 1 - used scoring methodology & specifically agreed top 5 for Scrutiny Project Group work ;
  - Worked in small groups with Gantt charts to timetable the prioritised items into one overarching O&S work programme.
- Final formulation of draft work programme;
- Consultation of draft work programme;
- Reported proposed work programme to OPSF May 2016 for approval/adoption.
- Promoted the approved work programme by intranet and email.

# Evaluation feedback & key messages



- **What were the best bits :**

- “Presentations were good”, “Discussions were interesting”;
- “Looking through suggested areas of interest to suggest possible work areas – the discussions within the group, sharing ideas”.
- “Working in groups. Opportunity for scrutiny members, other members, officers and cabinet/assistant members to work together. We need more of this.”
- “Excellent collaborative working”, “Fantastic engagement levels”.
- “Enjoyed working with colleagues you don’t normally get to see”
- “Best learning in 50 years”, “ A really enjoyable and useful event”.

- **What could improve it :**

- “Helpful if more cabinet colleagues could attend”
- “More time!”, “A bit rushed, allow more time for presentation feedback”
- “Tighter more focussed presentations”, “Keeping to time”
- General attendance levels.

## Improvement ideas and actions ...

- What do you think worked well ?
  - Timing was good in relation to Council priority setting and budget setting process
  - Improved understanding regarding areas of the borough's wider functions.
  - The mix of people, and empowered wider involvement
  - The timings for the Action Day Programme worked well (on the day)
  - The cross cutting approach to the Action Day / table group discussions which cut across services.



## Improvement ideas and actions ...

- What changes do you think could be made to make it even better for 2017/18 and beyond ?
- For OSC's to undertake oversight of mandatory services ie Health and Safety / Information & Data protection
- Executive members want to help inform the OSC work programme and timetable but they need senior officers to provide them with information to do this (ie, priority / service / project delivery timetabling - key milestones and deadlines)

## O&S Management Team thoughts ...

- Better alignment of work programme planning with corporate priorities and budget setting timetables;
- Prioritise the long list - but be strict about the short list (members can't have everything); (.. having the new structure in place should help make a difference);
- More time after work programme planning to formulate and consult before OPSF approval (to consult on final proposal, to ensure timetabling accuracy, to align resources);

# O&S Work Programming 2017/18

## Your further thoughts ? ...

OPSF should consider starting the process earlier in the year, ie January, to run parallel with the corporate priority planning/setting process.

## Next Steps ?

- Consult Overview & Performance Scrutiny Forum (discussion scheduled for 22.11.16)

Then ? ...

