

REPORT TO CABINET

06 February 2019

Subject:	Business Plans 2019/20 to 2021/22
Presenting Cabinet Member:	Councillor Steve Eling - Leader of the Council
Director:	Executive Director – Resources – Darren Carter
Contribution towards Vision 2030:	
Key Decision:	Yes
Forward Plan (28 day notice) Reference:	SMBC03/02/2018
Cabinet Member Approval and Date:	Councillor Steve Eling -
Director Approval:	Executive Director – Resources – Darren Carter
Reason for Urgency:	Urgency provisions do not apply.
Exempt Information Ref:	Exemption provisions do not apply.
Ward Councillor (s) Consulted (if applicable):	Ward Councillors have not been consulted.
Scrutiny Consultation Considered?	Budget and Corporate Scrutiny Management Board is due to be consulted on 12/02/2018
Contact Officer(s):	Rebecca Griffiths, Strategic Finance Manager, Rebecca_griffiths@sandwell.gov.uk

DECISION RECOMMENDATIONS

That Cabinet:

Refers the Directorate Business Plans to Budget and Corporate Scrutiny Management Board to be reviewed for evidence of value for money and contribution towards achieving the council's Vision 2030 and ambitions.

1 PURPOSE OF THE REPORT

- 1.1 The purpose of this report is for Cabinet to consider directorate Business Plans and refer to Budget and Corporate Scrutiny Board for further detailed review.

2 IMPLICATIONS FOR SANDWELL'S VISION

- 2.1 Each of the Council's ten ambitions are engaged across this report; the Council's financial status helps to underpin the Council's Vision 2030 and associated aspirations.
- 2.2 The integration of the business planning and budgetary processes ensures that limited resources available to the Council are directed to corporate priorities to achieve maximum impact.

3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 The Council, at its meeting on 15 January 2019, considered the impact of the provisional Local Government Finance Settlement. As part of this, provisional target budgets were approved for individual directorates. **Table 1** below compares the projected net revenue expenditure to the forecast funding for the council.

Table 1: Forecast Funding compared to Expenditure (Sandwell)				
	2018/19 (£m)	2019/20 (£m)	2020/21 (£m)	2021/22 (£m)
Forecast Expenditure	234.5	243.4	248.9	252.1
Forecast Funding	234.5	243.4	245.4	246.6
Annual Shortfall	0.0	0.0	-3.5	-2.0
Cumulative Shortfall	0.0	0.0	-3.5	-5.5

- 3.2 Integral to the council's medium-term financial strategy has been the production of multi-year Business Plans. The Business Plans describe the design and shape of the services and link to the Vision 2030 ambitions.
- 3.3 These Business Plans and budgets for the period 2019/20 to 2021/22 have been produced and are appended to this report. The individual service budgets contained within the Business Plans include the following corporate budget parameters which will be contained in the report to Cabinet on 20 February: -

Table 2: Corporate Budgetary Parameters			
	2019/20	2020/21	2021/22
	(%)	(%)	(%)
Pay Award - APT&C	2.45	2.00	2.00
Pay Award - Teachers & Chief Officers	2.45	2.00	2.00
General Inflation	1.00	1.00	1.00
Contractual Commitments	1.00	1.00	1.00
Fuel – Gas	5.00	5.00	5.00
Fuel – Electricity	15.00	15.00	15.00
Income – Fees & Charges	2.00	2.00	2.00
Income - Internal Recharges	1.00	1.00	1.00
Income - Other	2.00	2.00	2.00

- 3.4 Specific pressures identified in the directorate Business Plans will be reflected in budgets where appropriate. As in previous years, both general and specific reserves will be prudently earmarked to fund these liabilities. Service areas will also report on gross expenditure and gross income budgets to ensure the totality of each service area is encapsulated within each individual business plan.

4 THE CURRENT POSITION

- 4.1 The latest budget monitoring for the council shows a projected surplus of **£4.171m** against service areas (including Central Items and excluding Public Health) and a deficit of **£5.717m** against centrally earmarked general fund balances resulting in a total deficit of **£1.546m**.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 Individual Directors have consulted with the relevant stakeholders about the impact of any changes to service provision.

6 ALTERNATIVE OPTIONS

- 6.1 Cabinet has considered a wide range of options around budget savings at Cabinet Summits during 2018.

7 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 These are contained in the main body of the report and within the directorate business plans appended to the report.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 The council has a statutory duty to set a balanced budget by 11 March each year prior to the start of the relevant financial year.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 Throughout the development of the directorate business plans and savings proposals, an assessment has been undertaken of the equalities impact of each of the budgetary proposals. Equalities assessments (EA) have been undertaken and a corporate EA will be presented to Cabinet in February 2010 together with detailed budget proposals before recommendations to full Council in March 2019.

10 DATA PROTECTION IMPACT ASSESSMENT

- 10.1 Any information used to compile this report is subject to information governance legislation and is managed in accordance with the Council's policies and protocols. A Data Protection Impact Assessment is not required.

11 CRIME AND DISORDER AND RISK ASSESSMENT

- 11.1 There no requirement to carry out a Crime and Disorder and Risk Assessment.

12 SUSTAINABILITY OF PROPOSALS

- 12.1 This information is contained within the main body of the report and directorate business plans.

13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

13.1 This information is contained within the main body of the report and directorate business plans.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

14.1 This information is contained within the main body of the report and directorate business plans.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

15.1 The Business Plans contain details about future service provision and how each directorate will spend the target budget available to them. Further review of these plans is required in order to assess that value for money will be achieved and progress is made towards achieving the council's Vision 2030 ambitions.

15.2 It is therefore recommended that the business plans are referred to the Budget and Corporate Scrutiny Management Board for this consideration to take place.

16 BACKGROUND PAPERS

Provisional Local Government Settlement 2019/20
Report to Council: 15 January Budget 2019/20

17 APPENDICES:

Individual Directorate Business Plans



Darren Carter
Executive Director – Resources