

INTEGRATED PLAN 2016/17 – 2019/20 – RESOURCES AND PERFORMANCE

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The Panel received the County Council's Integrated Plan (IP) for 2016/17– 2019/20 and was invited to comment to Cabinet on its content and proposals. The Cabinet Panel was invited to comment on the areas of the draft Integrated Plan which related specifically to Resources and Performance as well as to comment on the draft Integrated Plan more generally. Prior to the meeting Members had received and considered the following documents: (i) a report containing the headline outcomes of public engagement and consultation in relation to the Plan; (ii) the Integrated Plan, including a report on those areas specifically related to resources and performance functions; (iii) comments from service Cabinet Panels, where those aspects of the Plan relating to individual services had been considered and discussed; (iv) comments from the Overview and Scrutiny Committee, following scrutiny of the Plan on 27 January 2016, where evidence was gathered via a 'scrutiny café', and on 3 February 2016 when it agreed its comments and suggestions for Cabinet's consideration.

Public Engagement and Consultation - (i)

Member's noted the Public Consultation Document, which outlined the results of the public engagement and consultation regarding the Council's budget and spending priorities for 2016/17 and beyond.

Integrated Plan 2016/17 – 2019/20- (ii)

The Cabinet Panel were advised that the Provisional Settlement announced in December 2015 included a £45m reduction in 2016/17 rising to £166m by 2019/20. This would mean that by the end of the settlement period the County Council would broadly be funded by Council Tax and Business Rates. Members were pleased to learn that following concerns raised by the County Council regarding the reduction in the financial settlement, the government had responded by allocating an additional £7.8m in 2016/17 and 2017/18 intended as transitional funding. It was noted that the final report for consideration by Cabinet at its meeting scheduled for 22 February would be updated to reflect the updated figures.

Members were advised that owing to an increase in the Council Tax base the County Council would receive an additional £3m, as well as a one-off £5.4m Council Tax collection fund. Officers advised that these updated figures would be incorporated in to the final Cabinet report. Members were reminded that despite the welcome additional funding received, the County Council's financial position remained challenging. Members noted that the use of the additional funding would be considered by Cabinet within the context of the alternative late options as outlined in the report, it was anticipated that the transitional funding would be used to

reduce the use of reserves.

Member's attention was drawn to P140 of the Integrated Plan 2016/17 – 2019/20 document which set out the strategic direction for the Resources and Performance Portfolio over the period 2016/17 – 2019/20. Members welcomed the news that the revenue budget for Resources and Performance remained relatively constant throughout the four year period at approximately £58m per annum.

P155 of the Integrated Plan document outlined inflation and National Insurance changes, pressures would rise from £28,228,000 in 2015/16 to; £52,041,000 in 2017/18, £68,575,000 in 2018/19 and £84,404,000 in 2019/20. Following a question from a Member, Officers advised that the increase was in recognition of anticipated cumulative non-pay inflation.

In general debate Members were advised as to a change made with regards to the County Council's treasury management and capital finance responsibilities. The County Council was working to develop diversification of investments, which would provide new opportunities, in particular with regards to local enterprise funds.

Officers confirmed Councils would need to set out efficiency plans if they are to qualify for four-year financial settlements by October 2016, however, full details of government expectations had yet to be received.

In debate and following a question from a Member regarding Section 106 spending on bus services, Officers advised that work had been undertaken to improve the consultation protocol with Local Members on proposed spending. Members acknowledged that depending upon legal restrictions, one-off Section 106 funding could be utilised to pump-prime projects.

In general discussion changes regarding County Council property asset management were noted. Rationalisation work was underway to identify assets the County Council needed to retain within its portfolio. The Council was also working with an external consultant to establish a Property Company which would enable the authority to achieve best value for money for assets and to derive new income streams. It was requested that the final report of the Property Asset Management Scrutiny held on 26 and 28 October be circulated to all Members.

INTEGRATED PLANNING PROCESS 2016/17 - 2019/20: COMMENTS FROM SERVICE CABINET PANELS- (iii)

The Cabinet Panel considered a report which outlined comments from each of the service Cabinet Panels.

Members heard that as part of the Public Health, Localism and Libraries portfolio that negotiations were underway with Clinical Commissioning Groups regarding allocation of funding to Hertfordshire County Council, an update was expected within the next week.

Officers advised that withdrawal of funding to Transport for London (TfL) Buses was part of ongoing discussions between the Executive Member and TfL. It was not expected that withdrawal of funding would be detrimental to these commercially successful cross-border services.

SCRUTINY OF THE INTEGRATED PLAN PROPOSALS 2016/17 –

Members acknowledged concerns raised at the Integrated Plan Scrutiny regarding evaluation be undertaken before any reductions are made to the Member Locality Budget and noted the suggestion that consideration should be given to amalgamating the Member Locality Budget and the Member Highways Budget. In general discussion Members were advised that MLB allocations were subject to guidelines, restrictions and legal checks.

Members requested that future reports from Cabinet Panels and Scrutiny on the Integrated Plan include Membership details.

Conclusion

- a) The Panel noted the updated resources position on the Integrated Plan, in particular:
 - Hertfordshire County Council had been allocated an additional £7.8m in 2016/17 and 2017/18 intended as transitional funding
 - that owing to an increase in the Council Tax base the County Council would receive an additional £3m, as well as a one-off £5.4m Council Tax collection fund.
 - In future allocations from central government would be subject to the prior submission of efficiency plans
 - The County Council was working towards establishing a Property Company to enable the authority to be as entrepreneurial as possible, within the confines of Local Authority legislation.
- b) The Panel recommend that Cabinet considers its other comments as outlined above on the proposals relating to the Integrated Plan in respect of the overall draft Integrated Plan, as well as the proposals in respect of Resources and Performance.

The Liberal Democrat and The Labour Groups each advised that they would be submitting alternative Integrated Plan Proposals.