



Overview & Scrutiny Committee		Agenda Item
18 September 2023		10
Title:	Corporate Strategy & Medium Term Financial Plan Refresh Process	
Report of:	Kate McFarlane, Head of Policy and Executive Support and Nick Bell, Executive Director (Resources & Performance)	
Lead Member:	Edna Murphy (Lead Member for Governance)	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	N/A	

Recommendations:

A	To note and comment upon the proposed timetable and process to refresh the Corporate Strategy and the Medium Term Financial Plan (MTFP).
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Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

x	Achieving ambitious skills and employment opportunities
x	Achieving good growth
x	Increased connectivity
x	Enabling resilient communities
x	Achieving Best Value and High Performance

1. Purpose

1.1	This paper provides Overview & Scrutiny with a draft timeline and process to refresh both the Corporate Strategy and the MTFP and provides an opportunity for Overview & Scrutiny to make any comments or recommendations on the process before it is considered for approval by the Combined Authority Board on the 20 th September.
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2. Proposal

2.1	It is a statutory requirement for the Combined Authority and the Mayor to set approved budgets each year and to do that in sufficient time to inform its constituent councils so that they can reflect necessary budget implications within their own approved budgets for the following financial year. In practice this means that the Combined Authority budgets (there are separate budgets for the Combined Authority and the Mayor) need to be approved by the end of January preceding the financial year to which they relate.
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2.2	Part of the Combined Authority's Improvement Programme has ensured that the building blocks that other Mayoral Combined Authorities would expect to have in terms of short, medium and long term planning are in place at CPCA. This Improvement was partially addressed in January 2023 when a 2023-2025 Corporate Strategy was approved which set out key multi-year strategic objectives for the Combined Authority and the key activities planned to deliver these objectives. Also in January 2023 a multi-year MTFP was approved (rather than a simple annual budget) to help identify the resources required to deliver key activities that spanned more than one year. However there was no formal alignment between the Corporate Strategy process and the MTFP process, whereas best practice is that the Corporate Strategy priorities should determine the MTFP (which effectively becomes a financial expression of the Corporate Strategy).
2.3	As much work was undertaken to develop a new Corporate Strategy that was approved in January 2023, it is proposed that this process, whilst aligning the processes for determining the Corporate Strategy and MTFP for the first time, focuses more on a refresh of the existing Corporate Strategy (informed by a 6 month review of the existing Corporate Strategy), rather than a more fundamental review. This is considered appropriate because of both the extensive work undertaken to develop the existing Corporate Strategy and the fact that next year will be the last one of the current Mayoralty prior to the next Mayoral election. It should be noted that there will be a strong link between the Corporate Strategy and the Single Assurance Framework (SAF) which is being developed, as the Corporate Strategy will help determine the prioritisation of projects via the SAF process.
2.4	The proposed process to develop the refreshed Corporate Strategy and the MTFP is shown in outline at Appendix A. This covers, at high level, the proposed engagement with Leaders of constituent councils, Overview & Scrutiny, Thematic Committees, the Combined Authority Board, Members of the public and Chief Executives and Section 151 Officers from constituent councils. A more detailed plan of internal activity has been developed for officers that underpins the diagram in Appendix A and work has already commenced internally on developing the information required for the process.
2.5	In summary there are four main stages to the process, as described below.
2.6	<u>Stage 1</u> – running from mid August to 20 th September. This is the stage we are currently in and it encompasses development and consultation of the process to refresh the Corporate Strategy and develop the MTFP. The draft process has already been shared with constituent councils Section 151 officers and Chief Executives and, informally through Leaders' Strategy Meeting, with the Leaders of constituent councils. Their comments have been included in the draft process. Early input from the Thematic Committees is sought at their September meetings to inform the second stage of the process. This Stage will end on 20 th September when the Board approves the final process to be used.
2.7	<u>Stage 2</u> – running from the 20 th September to late October. During this stage much of the internal work to refresh the Corporate Strategy and develop the MTFP will be completed. For the Corporate Strategy this will include a 6 month review of the existing Corporate Strategy, a review of planned activities for 2024-25 and officer suggestions for other activities which could be considered for approval in the refreshed Corporate Strategy. For the MTFP this will include a full reprice of the existing MTFP given forecast inflation and known income, savings and pressures that were not included in the original MTFP, as well as officer identified options for potential efficiencies and investments. During this phase there will be consultation with Chief Executives and Section 151 Officers in constituent councils and the stage will end with a workshop for the Board to provide them with the refreshed/repriced detail and any officer options. This will be held in late October.
2.8	<u>Stage 3</u> – running from late October to the 29 th November. This is the stage during which Board Members consider what activities they would like to see included in the refreshed Corporate Strategy and what proposals they would like to make for the MTFP. The Section 73 Officer of the Combined Authority will make himself available to any of the Board Members – either individually or in subsets of the Board -to provide any further detail on the repriced MTFP and to ensure that any proposals being considered by Board Members are both affordable and legal from a Section 73 perspective. There will be an opportunity for Overview & Scrutiny, at its meeting on 27 th November, to consider any Corporate Strategy and MTFP proposals which have been published for consideration by the Board on the 29 th November. This stage will conclude on 29 th November when the Board considers any options and approves a draft Corporate Strategy and MTFP for consultation.

2.9	<p>Stage 4 – running from 29th November to 31st January. This is the main consultation stage for the draft refreshed Corporate Strategy and MTFP. During this stage there will be internal consultation at informal meetings of thematic committees and Overview & Scrutiny, together with wider consultation with constituent councils, the general public in Cambridgeshire and Peterborough and other key stakeholders. The Section 73 Officer will continue to make himself available to Board Members should they wish to consider developing amendments to the draft Corporate Strategy and MTFP during this stage, Whilst it is anticipated that any potential amendments should be discussed openly and transparently with Board colleagues during what is this year an extended MTFP development process, all amendment proposals will need to be with the Section 73 Officer by 17th January at the latest to ensure there is sufficient time to consider those amendments from a Section 73 perspective prior to the Board on the 31st January. This stage (and the overall process) concludes on the 31st January when the Board approves the refreshed Corporate Strategy and the MTFP.</p>
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3. Background

3.1	<p>It is a statutory requirement for the Authority to set and approve a budget every year and good practice to develop a longer-term Corporate Strategy which drives a Medium Term Financial Plan. The proposals in this report strengthen this best practice in line with the work being undertaken through the Improvement Programme.</p>
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4. Appendices

4.1	<p><i>Appendix A – High Level Overview of proposed process to refresh Corporate Strategy and develop MTFP</i></p>
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5. Implications

Financial Implications

5.1	<p>There are no direct financial implications from the issues contained in the report.</p>
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Legal Implications

6.1	<p>Under powers granted by the Combined Authorities (Finance) Order 2017, elected Mayors may raise a precept on Constituent Authorities Council Tax bills under section 107G of the Local Democracy Economic Development and Construction Act 2009. A Mayoral Precept may only be issued in relation to the costs of the Mayor or of discharging Mayoral Functions. The Mayoral functions are set out in Article 12 of the Cambridgeshire and Peterborough Combined.</p> <p>Further, under Section 25 of the Local Government Act 2003, the Authority’s Chief Financial Officer (the Treasurer) is required to report on the robustness of the estimates made for the purposes of the budget and levy calculations and the adequacy of the proposed reserves.</p> <p>This information enables a longer-term view of the overall financial position to be taken.</p> <p>This report is submitted to the Board in accordance with the Budget procedure rules. The CPCA has a statutory duty to have regard to the report of the Chief Finance Officer when making decisions about its budget calculations. The legal and governance processes that need to be completed including consideration by Overview and Scrutiny Committee and the Combined Authority Board.</p>
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As a public authority which has the power to levy for transport functions and to raise a precept, the Cambridgeshire and Peterborough Combined Authority must set a budget every year which is agreed through its formal decision-making processes.

Some savings proposals may only be delivered after specific statutory or other legal procedures have been followed and/or consultation taken place. Where consultation is required, the CPCA cannot rule out the possibility that they may change their minds on the proposal because of the responses to a consultation, and further reports to the CPCA Board may be required.

If General Fund Reserves are used to support the budget, they may need to be reimbursed at the earliest opportunity to provide the necessary, margin of safety in future years.

Apart from statutory duties relating to specific proposals the CPCA must consider its obligations under the Equality Act.

Public Health Implications

7.1 None directly

Environmental & Climate Change Implications

8.1 None directly

Other Significant Implications

9.1

Background Papers

10.1