

THREE-YEAR PROPOSALS: THE BASIS FOR THE CORPORATE PLAN

**Report By: Director of Corporate and Customer Services and
Director of Resources**

Wards Affected

County-wide

Purpose

To seek the Committee's views on three-year strategic budgets and associated service outputs and outcomes, which will form the basis of the Council's Corporate Plan 2007-10, so that these can be taken into account by Cabinet in its recommendations to Council.

Financial Implications

The three-year proposals must be affordable within the Medium-Term Financial Management Strategy.

Background

1. The Council's performance improvement cycle is intended to drive improvements in services and Value for Money by ensuring a fully integrated approach to corporate, service and financial planning. At its core is the development of three-year strategic budgets and associated service outputs and outcomes for 2007 to 2010, which will be the basis for the Corporate Plan. Cabinet will consider these on 26 October and seek Council's approval of the Corporate Plan thereafter.
2. The budget for 2007-08 will be framed within the context of these three-year strategic decisions, having regard to the financial settlement from Government (which is expected in January 2007) and the resolution of current uncertainties and detailed planning. Strategic Monitoring Committee's views will be sought on the proposed 2007-08 Budget before Cabinet seeks Council approval for it and the level of Council Tax in March 2007.
3. Earlier in the agenda, the Committee will have considered the Medium-Term Financial Management Strategy (MTFMS). This provides the context within which decisions about the three-year strategic budgets and associated service outputs and outcomes have to be taken
4. On the basis of the Financial Resource Model (Appendix A of the MTFMS), the capacity for **cumulative** increased spending in future years would be some:

2007-08 - £6.6 million

2008-09 - £2.4 million (i.e. £9.0 million above current budget)

2009-10 - £4.6 million (i.e. £13.6 million above current budget)

2010-11 - £3.8 million (i.e. £17.4 million above current budget)

5. Coupled with the areas of risk and uncertainty identified in the MTFMS, this points to concentrating new investment on proposals that not only meet the Council's top priorities but which also either:
 - (i) will reduce future expenditure (spend-to-save), or
 - (ii) will mitigate the costs of inescapable future demands (spend-to-mitigate).
6. More than this, if there were to be a shortfall in available additional investment to achieve the objectives in paragraph 6, it would be necessary to consider whether other, discretionary and lower-priority services should be reduced to bridge the gap.
7. The Council's top priorities are:
 - to ensure that its arrangements for safeguarding children continue to be at least adequate
 - to maximise the independence, well-being and choice of vulnerable adults, in particular through meeting the growing need for social care with more efficient and effective services
 - to deliver major improvements in the infrastructure necessary for a successful and sustainable economy
 - to deliver improved and more efficient services to customers more generally through the *Herefordshire Connects* programme and good performance management across the Council
8. Although these are the Council's top priorities, there is also a requirement – arising from statute, minimum thresholds for some services laid down by Government or the inspectorates, and from binding existing contracts – to maintain or, in some cases, improve a range of other services.
9. Within the baselines set out in the Financial Resource Model, Directors and the Head of Human Resources have developed their core proposals for the coming three years. Those baselines take account of the unavoidable requirements described in paragraph 9 and include allowances for staff pay of 2% per annum and for increased pension costs. With the exception of spend-to-save and spend-to-mitigate proposals, they have been required to meet all additional pressures within those baselines, with a view to securing the following **minimum** star ratings as used in the Audit Commission's Comprehensive Performance Assessment (which, taken together, would give the Council an overall 3* rating):
 - Corporate Assessment 3* (currently 3* protected rating from 2002, but with the underlying rating 2*)
 - Adult Social Care 2* (currently 0*)
 - Children and Young People 3* (currently 2*)

- Environment 3* (currently 2*)
 - Housing 4* (currently 4*)
 - Benefits 3* (currently 3*)
 - Culture: Libraries and Leisure 2* (currently 2*)
 - Use of Resources 3* (currently 3*)
10. The core proposals, prepared within the baselines, provide for substantial improvements in outputs and outcomes by 2009-10. Highlights include:

Children and Young People – further reductions in absences from schools, including by looked-after children; an increase in the percentage of breast-fed babies; increased family support; further improvements in GCSE results; and a reduction in the proportion of 16-18 year-olds not in education, employment or training

Adult and Community Services - some increase in the numbers of vulnerable people helped to live at home; many more older people receiving Attendance Allowance and Pension Credit; nobody having to be housed in B&B or hostels; increased participation in sports and other recreational activities, including libraries, museums and galleries; and more people employed in high-technology and knowledge industries

Environment – a big increase in the proportion of household waste re-cycled or composted, accompanied by a large decrease in the amount of waste going to landfill; a higher proportion of land and streets meeting the cleanliness standard; far fewer roads in an unacceptable condition; further reductions in the numbers of people killed or injured on the roads; and increased use of buses

Corporate and Customer Services – completing most of the new ICT network; achieving, across the whole Council, level 4 of the Local Authority Equality Standard (there are five levels; we are currently at Level 1); and doubling the number of press releases

Resources – reduction in time taken to process benefits claims and changes; increase in claims calculated correctly; increase in the percentages of Council Tax and Business Rate collected; and a 4* Use of Resources rating

Human Resources – reduction in days lost to sickness to below the current national average for local authorities; more employees from ethnic minorities and with disabilities; 100% SRD completion; and Investor in People accreditation

11. The areas that should be considered for additional budget provision over the coming three years are set out as follows:
- **Appendix 1** summarises spend-to-save proposals, for which **non-recurrent** budget provision would be required. These are aimed to improve services for vulnerable children and for older people. Were the comprehensive spend-to-mitigate proposal in respect of older people (Appendix 2) to go ahead, this more modest proposal would be subsumed as part of it
 - **Appendix 2** summarises spend-to-mitigate proposals, for which **recurrent** budget provision would be required. Again, these are to improve services for

vulnerable children and for older people. By far the largest are comprehensive programmes to ensure that the Council is able to meet unavoidable future demand from older people and adults with learning difficulties with high-performing, more cost-effective services than currently

- **Appendix 3** summarises other proposals that are not regarded by senior managers as deliverable within the baseline provision in the Financial Resource Model. These are all in Legal and Democratic Services. They include proposals to underpin major corporate projects, such as the Edgar Street Grid and Rotherwas Futures, and also to maintain current levels of support to committees
- **Appendix 4** summarises proposals where the financial implications and affordability with the Financial Resource Model baselines are still under consideration

Recommendation

THAT the Committee agrees what views it wishes to convey to Cabinet about the three-year proposals that will form the basis for the Corporate Plan 2007-10.

BACKGROUND PAPERS

- None