

## THREE-YEAR PROPOSALS AND THE CORPORATE PLAN 2007-10

### PROGRAMME AREA RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

26TH OCTOBER, 2006

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#### Wards Affected

County-wide.

#### Purpose

To seek approval for the draft Corporate Plan 2007-10 to be used as the basis for the initial preparation of directorate and service plans.

#### Key Decision

This is not a key decision.

#### Recommendations

##### THAT

- a) the Corporate Plan be approved in draft form;
- b) the views of Cabinet are sought on the draft three-year proposals;
- c) the approved draft forms the basis for the initial preparation of directorate and service plans for 2007-10 and the Annual Operating Plan 2007-08; and
- d) approval for the finalised Corporate Plan be sought following agreement of the refreshed Local Area Agreement (LAA).

#### Reasons

Cabinet has approved the Council's Performance Improvement Cycle, including the production of a Corporate Plan setting out the Council's priorities and how they are to be achieved over the coming three years. The Corporate Plan cannot be finalised until the refreshed Local Area Agreement (LAA) has been negotiated. However, as the Corporate Plan is carried into effect through directorate and service plans, which also look forward three years, and through the Council's Annual Operating Plan, approval of a draft Corporate Plan is needed to provide the basis for the initial preparation of directorate and service plans and the Annual Operating Plan.

#### Considerations

1. A draft of the Corporate Plan 2007-10 is at Appendix 1.
2. It reflects Cabinet and Council decisions over the past year and has been prepared within the parameters of the new Medium-Term Financial Management Strategy

(MTFMS).

3. The draft Plan is based on the priorities of the Council as set out in the current Corporate Plan (2006-09), subject to two proposed changes:
  - (i) bringing together, as one priority, the previously separate priorities for raising educational attainment and for all other aspects of outcomes for children; this is in keeping with the integrated approach required by legislation and adopted by the Council and its partners in the *Children and Young People's Plan*, but with the revised wording ensuring that due emphasis is still given to the Council's commitment to raise educational attainment;
  - (ii) making explicit, as a priority in its own right, the Council's determination to ensure that the Council has the infrastructure needed for the county to have a successful economy

The proposed revised statement of the Council's priorities is at section 5 of the draft Plan.

4. The Performance Improvement Cycle, and therefore the Corporate Plan, is intended to drive improvements in services and efficiency by ensuring an integrated approach to corporate, service and financial planning. At the core is the development of three-year strategic budgets and service outputs and outcomes for 2007 to 2010.
5. 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.
6. On the basis of the Financial Resource Model in the MTFMS, the capacity for **cumulative** increased spending over the years of the Corporate Plan is :  
  
2007-08 - £3.6 million  
  
2008-09 - £3.9 million (i.e. £9.7 million above current budget)  
  
2009-10 - £4.6 million (i.e. £13.6 million above current budget)
7. 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).
8. More than this, if there were to be a shortfall in available additional investment to achieve the objectives in paragraph 7, it would be necessary to consider whether other discretionary and lower-priority services should be reduced to bridge the gap.
9. On the basis of earlier decisions by Cabinet and Council, as reflected in the draft Corporate Plan, it is suggested that the Council's uppermost priorities are:
  - (i) to ensure that its arrangements for safeguarding children continue to be at

least adequate

- (ii) 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
  - (iii) to deliver major improvements in the infrastructure necessary for a successful and sustainable economy
  - (iv) to deliver improved and more efficient services to customers more generally through the *Herefordshire Connects* programme and good performance management across the Council
10. Although these are the Council's top priorities, there is also a requirement – whether arising from statute, from minimum thresholds for some services laid down by Government or the inspectorates, or from binding existing contracts – to maintain or, in some cases, improve a range of other services.
11. Within the baselines set out in the Finance 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 10 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):
- (i) Corporate Assessment 3\* (currently 3\* protected rating from 2002, but with the underlying rating 2\*)
  - (ii) Adult Social Care 2\* (currently 0\*)
  - (iii) Children and Young People 3\* (currently 2\*)
  - (iv) Environment 3\* (currently 2\*)
  - (v) Housing 4\* (currently 4\*)
  - (vi) Benefits 3\* (currently 3\*)
  - (vii) Culture: Libraries and Leisure 2\* (currently 2\*)
  - (viii) Use of Resources 3\* (currently 3\*)
12. The core proposals, prepared within the baselines, provide for substantial improvements in outputs and outcomes by 2009-10. These are reflected in the targets and actions in the draft Corporate Plan. 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** - an 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** – an increase in the proportion of household waste re-cycled or composted, accompanied by a decrease in the amount of waste going to landfill; a higher proportion of land and streets meeting the cleanliness standard; 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 the 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

13. The areas that should be considered for additional budget provision over the coming three years are set out as follows:
  - (i) **Appendix 2** 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 3) to go ahead, this more modest proposal would be subsumed as part of it
  - (ii) **Appendix 3** 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
  - (iii) **Appendix 4** summarises other proposals that are not regarded by senior managers as deliverable within the baseline provision in the Finance 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
  - (iv) **Appendix 5** summarises proposals where the financial implications and affordability within the Finance Resource Model baselines are still under consideration
14. Decisions on these proposals will need to be reflected in the finalised Corporate Plan.

15. Strategic Monitoring Committee considered the three-year proposals at its meeting on 16 October 2006. Other than points of clarification, the Committee made no substantive comments.
16. The draft of the Corporate Plan indicates where targets and actions have yet to be confirmed. It is intended to complete most of these by mid November, alongside the initial preparation of directorate and service plans and the Council's Annual Operating Plan.
17. This will not be possible in respect of LAA targets and associated actions. This is because they are subject to review and renegotiation with Government and the Council's partners this autumn, with Government aiming that the refreshed LAA should be agreed before the end of January 2007.

## **Financial Implications**

The draft Corporate Plan has been prepared within the parameters of the new MTFMS. The finalised plan, incorporating decisions on the three-year proposals, must be similarly affordable.

## **Alternative Options**

Alternatives are exposed, as an intrinsic part of the corporate planning process, in the determination of the Council's priorities and the commitment of resources to achieve them

## **Risk Management**

Section 6 of the Corporate Plan describes the strategic risks faced by the Council and how the Council intends to mitigate them

## **Consultees**

Extensive consultation with the public and partner organisations on priorities was carried out during 2005 in the development of the new *Herefordshire Community Strategy*. In autumn 2006 the Council conducted its first annual public satisfaction survey. The results of these and other, more specific, consultations have been taken into account in the development of the draft Corporate Plan.

## **Background Papers**

The Medium-Term Financial Management Strategy.