

Report to: **Scrutiny Committee for Social Services and Health**

Date: **12 December 2002**

By: **Chief Executive and Director of Corporate Resources**

Title of report: **Reconciling Policy and Resources**

Purpose of report: **To seek the Committee's views on the proposed policy steers and targets being developed for the relevant portfolio for 2003-04**

RECOMMENDATIONS

The Committee is recommended to:

- 1. consider any comments it wishes to make to the Cabinet on the planning assumptions which will underpin the budget that Cabinet will propose to County Council in February 2003; and**
 - 2. consider any comments it wishes to make to the Cabinet on the proposed Policy steers and targets for the portfolio area to help to shape the Council Plan 2003/04.**
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1. Background

1.1 During the Autumn the Cabinet has been working with Chief Officers to refine the Policy Steers which were contained in last year's Council Plan. Revisions have taken into account risks including performance in key areas; the results of consultation; the findings of Scrutiny and Best Value Reviews; and other external inspection and audit. Scrutiny Chairmen have been closely involved in the development of the Policy Steers and have broadly accepted them. The work on the Policy Steers is ongoing and has been undertaken against the background of the decision made at Cabinet on 22 October, that, in view of the future financial prospects, planning should be on the basis of a standstill budget for direct service provision and on the basis of identifying efficiency savings of at least 2% wherever possible.

2. Financial Background

2.1 Members will be aware of the possible extent of grant losses (ranging from £4m loss at best to £44m loss at worst) as a result of the Government's proposals for changing the Revenue Support Grant distribution system. For next year, the Government are promising only 0% increase in grant. This would mitigate the worst case loss for next year only but still represents a real loss – compared to the 5% to 6% increase the Council would have expected through the Comprehensive Spending Review. We will not know the precise details until the Government announcement during December.

2.2 The latest position on standstill commitments was reported to Cabinet in October and is set out in Appendix 1, which also shows the latest position for the relevant portfolio. On the basis of a 0% floor, council tax would have to rise by some 27%.

2.3 In the light of this information and the ongoing work on policy steers the Cabinet resolved the following:

- a) to note the financial outlook and standstill pressures as outlined in the report;
- b) to endorse the Lead Cabinet Member for Corporate Resources' proposals that the portfolio holders now plan on the basis of a standstill budget for their direct service

provision for 2003/04 (to be advised by the Deputy Leader and Director of Corporate Resources);

- c) to ask the Deputy Leader and portfolio holders to identify efficiency savings for at least 2% wherever possible on appropriate items (to be advised by the Deputy Leader and Director of Corporate Resources);
- d) to agree that Service Plans are further refined and challenged through the reconciling policy and resources process; and
- e) in the light of this new planning guidance, to request portfolio holders to provide more detail in their policy steers which can be reflected in their Service Plans.

3. The County Council Plan 2003/04

3.1 Since Cabinet on 22 October, Lead Members and Chief Officers have been developing service objectives and key service targets for each of their service areas, taking account of the refined policy steers and financial targets. This work is ongoing. They have been assisted in this work by the Chairmen of the relevant Scrutiny Committees and the Chairman of the Audit and Best Value Scrutiny Committee, who have broadly accepted the policy steers. These objectives and targets, together with the underlying financial assumptions to be agreed by County Council, will form the basis of the County Council's Plan. This work the areas under this Scrutiny Committee's purview is contained in the policy steers and proformas appended to this report (appendix 2). The Cabinet will consider the proformas at its meeting on 19 December. At this time Cabinet will also agree the overall budget parameters and service targets which will be worked up by officers into a detailed budget proposal and Council Plan. The Cabinet will agree the final budget and Council Plan framework which they will be recommending to County Council at its meeting on 30 January 2003.

3.2 All Scrutiny Committees are being asked to comment on the proposed objectives and targets for the service areas in their purview. The views of Scrutiny Committees will be considered by Cabinet on 19 December as part of its deliberations on the final objectives and targets which will shape the Council Plan and departmental service plans.

3.3 As last year, the County Council Plan will be structured around Cabinet members' portfolios and the service areas under those portfolios and will follow a similar format.

3.4 The Committee is asked to consider what comments, if any, it wishes to make on the content of the proformas.

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