

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

Date: **5 December 2003**

By: **Chief Executive and all Chief Officers**

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

Purpose of report: **To seek the Committee's views on the financial and service planning proposals for the service area under its purview**

RECOMMENDATIONS

The Committee is recommended to consider any comments it wishes to make to the Cabinet on the Proformas for the portfolio area to help to shape the budget and Council Plan 2004/05.

1. Policy Steers

1.1 The Policy Steers agreed by County Council last year represent a strategy and statement of priorities to guide the business planning processes of the Council in the medium-term. The Cabinet has agreed the continued use of these steers for 2004/05, but has amended them so that they are presented in a more outcome focused way. The Policy Steers for the whole Council and those relevant to this Committee agreed by Cabinet in July are contained in Appendix 1 to this report.

2. Financial Background

2.1 The Cabinet has considered a medium term financial overview for the County Council (Appendix 2). The County Council has 'lost' over £30m, in real terms, over the medium term as a result of the Government's formula changes in 2003/04. The Council is reliant on a minimum floor increase from Government and will be for a number of years. The level of any floor increase is currently unknown. For planning purposes, the Cabinet has assumed a floor increase of 2.75%, or £7.6m. Overall standstill and other risk pressures would add £29.6m to the Council's budget.

2.2 Having considered the policy and financial context for the Reconciling Policy and Resources work for 2004/05 and beyond the Cabinet has agreed the following initial guidelines:

- Schools – commit to passporting;
- Libraries – maintain standstill budget;
- Highway Maintenance – 1% efficiency savings in each of the next two years;
- Social Services – maintain recovery investment of £1.3m in 2004/05 but require efficiency savings on standstill of 0.75% and require a further 0.5% efficiency savings on standstill in 2005/06;
- Waste PFI – as per the contract;
- Central LEA (outside school passporting), Waste (non PFI), Chief Executive's Department (outside Personnel), Corporate Resources and Transport and Environment (excluding Highway Maintenance and Waste) – model impact of 5% savings, and 10% savings over two years;
- Personnel - 10% in 2004/05 and model 5% in 2005/06.

3. Service and Financial Planning

3.1 The Reconciling Policy and Resources process will ensure that the Policy Steers are worked up into practical programmes of action with appropriate resources and clear targets for

when and how they will be completed. In agreeing improvement areas within each portfolio and setting specific targets, careful consideration will need to be given to current performance, the Comprehensive Performance Assessment (CPA) and Public Service Agreement (PSA) targets.

3.2 As a first stage, Portfolio holders have been requested to bring forward service delivery and savings plans which:

- focus on delivery of core Policy Steers and respond to core improvement agendas;
- maximise efficiency and low impact savings; and
- take account of sensible risk management.

The proformas attached at Appendix 3 to this report set out those plans showing: current performance; improvement aims and actions; and the efficiency and other savings in order to meet these aims and the Cabinet's financial planning guidelines. These are very much working documents, which have been used to guide discussion between Lead Members as the budget planning process has developed.

3.3 The Committee is asked to consider any comments it wishes to make to the Cabinet on the proformas for the portfolio area under its purview to help to shape the budget and Council Plan 2004/05. At its December meeting the Cabinet will consider further the financial and service plans it will be putting forward to County Council. In so doing it will take into account the views of Scrutiny Committees and the outcome of consultation with the public, stakeholders and partners.

CHERYL MILLER
Chief Executive
for all Chief Officers