

Meeting:	Cabinet
Date:	12 February 2009
Subject:	Corporate Plan and Budget 2009-10 to 2011-12
Key Decision:	Yes
Responsible Officers:	Myfanwy Barrett Corporate Director of Finance Tom Whiting Assistant Chief Executive
Portfolio Holders:	David Ashton Leader and Portfolio Holder for Strategy, Partnership and Finance Paul Osborn Portfolio Holder for Performance, Communication and Corporate Services
Exempt:	No
Enclosures:	Corporate Plan (Item 8b on the agenda)

Section 1 – Summary and Recommendations

This report provides a summary of the Council's Corporate Plan and Budget for 2009-10 to 2011-12.

Recommendations:

That Cabinet notes the report and recommends the Corporate Plan (attached at Item 8a) to Council for approval, subject to a delegation to the Leader of the Council to approve final changes, particularly relating to embargoed information on performance assessment.

Reason: (For recommendation)

To highlight the key points from the Corporate Plan and Budget for 2009-10 to 2011-12 and recommend that Council approves the Corporate Plan.

Section 2 – Report

1. The cabinet agenda for February includes the following reports:
 - Corporate Plan
 - Revenue Budget 2009-10 to 2011-12
 - Capital Programme 2009-10 to 2011-12
2. These reports are critical elements in the Council's medium term planning process and contain a lot of detailed information. The corporate plan sets out the Council's vision and priorities, Flagship Actions for 2009-10, and information about its plans for improvement. The plan also reviews achievements in 2008-09.
3. The revenue budget report sets out the council tax strategy and spending plans including new investment and savings proposals. The report explains the impact of the proposals, and includes information on the local government settlement, reserves policy, the report of the Chief Finance Officer, and consultation on the budget. It covers all the Council's main activities, along with schools and housing.
4. The capital programme sets out the Council's investment plans for 2009-10 to 2011-12 and includes a list of all the proposed projects.
5. This paper highlights the key points in the reports and demonstrates the clear relationship between the Council's plans and how the Council has allocated its resources to deliver these plans.

Vision and Priorities

6. Over the last few months Cabinet Members have driven the process to develop a new set of priorities for the Council. This process was supported by the Year Ahead Statement – a document that captured local and national policy developments, public opinion, and key performance and value for money data.
7. The Council's vision is:

To be recognised as one of the best London Councils by 2012, in a borough that is cosmopolitan, confident and cohesive.
8. Following consultation with residents, the Council has adopted the following corporate priorities for the next year:
 - **Deliver cleaner and safer streets;**
 - **Improve support for vulnerable people; and**
 - **Build stronger communities**
9. The Council will therefore be directing its resources towards achieving these priorities. Resources are defined in the widest sense and include money, staff, work with our partners, property and other assets and information technology.
10. These three priorities are underpinned by providing jargon-free council services to all our customers for excellent value for money. Harrow Council is getting better and is working hard to provide good value local services. We know that money is tight at the moment but

we are spending your money wisely and are focused on helping to make residents' and businesses' lives better.

Translating the Corporate Priorities into Action

11. The Council's Corporate Plan includes a number of **flagship actions**. The flagship actions are practical examples of what our vision and corporate priorities mean, and against which the Council is happy to be judged.
12. In each case, flagship actions are related to a specific corporate priority. They are also linked to the Cabinet Portfolio Holder responsible for delivery, and the senior officers with whom they work, so there is clear accountability for the actions required. For example:

1. Deliver cleaner and safer streets		
Ref	Flagship Action	Measurement
1.1	Recycling Councillor Susan Hall John Edwards	Reach 50% recycling and composting rate in at least one month in 2009-10

13. There are 6 flagship actions for each corporate priority and these are set out in the Corporate Plan.
14. Each Directorate has a service improvement plan sitting below the Corporate Plan. These plans set out more detailed priorities and targets against which progress is monitored throughout the year.

Financial Resources

15. The budget for 2009-10 to 2011-12 has been developed in the context of the Council's vision and priorities and is designed to support their achievement.
16. The economic climate is having a very significant impact on residents, businesses and the Council's own finances.

Help for Residents and Businesses

17. The council is making every effort to help make residents' and businesses' lives better through difficult financial times. In recent weeks this has included:
- Providing business rate and council tax relief to those in need
 - Providing advice to Christmas shoppers
 - Working with Job Centre Plus to understand the local impact of the recession and maximise benefit take up
 - Working with local employers
 - Working on a credit union proposal
 - Supporting businesses through a range of advice and increasing the take up of small business rate relief
 - Reviewing its procurement arrangements to encourage use of local suppliers
 - Paying suppliers promptly
 - Promoting the XCITE and Slivers of time programmes to get people back into work
 - Providing advice on housing,

- Retraining staff to provide mortgage advice,
- Developing a more integrated housing options team that can point people in the direction of debt management and where possible help people to overcome worklessness,
- Piloting a mortgage rescue scheme that has been promoted and funded by the Department for Communities and Local Government (DCLG)
- Seeking to access government funding to bring forward developments in Harrow Town centre to increase the supply of affordable homes,
- Promoting the “Let’s Start” scheme with Private landlords to gain access to rented property to prevent homelessness,
- Developing new forms of tenure with Housing Association partners to increase the supply of intermediate housing,
- Promoting free internet access and online CV wizards to jobhunters at its library network
- Promoting discounts through the Harrow leisure card available at the leisure centre and providing free swimming for some residents
- Launching a new apprenticeship scheme
- Working with Kier Construction to provide around 50 places for skills and training opportunities

Economic impact on Council’s Finances

18. Every year the Council faces “funding gaps” of at least £5m because the demand on services exceeds its resources. This means the Council has to do “more for less” year on year. Therefore the Council is continually looking for more efficient ways of doing things.
19. For 2009-10, the funding gap increased by another £4m due to the economic climate. The economic position is creating extra pressures through:
- Extra demand for services
 - Loss of income from sale of land and property
 - Loss of income such as land charges
 - Loss of investment income (due to interest rate cuts)
 - Contract prices (due to high inflation levels in recent times)
 - Energy costs
20. This added pressure made the budget round very challenging and the Council has had to find more savings to deal with the problem.

Government Support

21. Harrow is the 7th lowest spending council in London and receives the 6th lowest level of grant support.
22. The increase in grant will be 1.75% in 2009-10, 1.5% in 2010-11 (the final year of the current three year settlement) and is predicated as nil in 2011-12 due to all the pressure on public finances.

Council Tax Strategy

23. Despite all this extra pressure, the recommended council tax increase is **2.95%** for 2009-10. This equates to an increase of £34 a year or 65p a week for a Band D household. When combined with the GLA precept, the increase will be 2.32%.

Revenue Budget

24. The revenue budget includes investment in services of £4.4m in 2009-10 (£13.1m over the three year period). This mainly relates to:

Deliver cleaner and safer streets

- Waste Disposal, £1.0m – to make sure Harrow's rubbish is disposed of effectively and increase recycling
- Environmental services, £0.8m – to maintain roads, invest in more cleaning, flower beds and weed control, and carry out weeks of action

Improve support for vulnerable people

- Adult care, £1.3m – to meet the growing demand for social care, improve preventative and safeguarding services, redevelop the Vaughan centre and open the new Neighbourhood Resource Centres
- Children's social care, £0.7m – to meet the growing demand for social care, invest in child protection, support children with disabilities and their carers, and provide activities for young people

Build stronger communities

- Cultural and Community Services, £0.1m – to support the Arts Centre, and provide additional capacity in the voluntary sector to raise external funding

25. The savings that have been identified total some £6.5m for 2009-10 (£10.5m over the three year period). Every effort has been made to maximise efficiency and minimise the impact of these savings on services to the public.

26. The savings are coming from:

- New technology to improve efficiency – for example so that the Council deals with less paperwork and does things electronically instead
- Better procurement – so that the Council gets good value for money when it buys goods and services
- Better partnership working – so that the Council gets good value for money from its commercial partners and providers
- Service reviews and service transformation
- West London and Pan-London initiatives
- Staffing reductions

27. The Council is committed to delivering an ambitious agenda of improvement whilst at the same time stabilising council tax in the medium term. The proposed revenue budget is predicated on a 2.95% council tax increase for 2009-10.

28. The flagship actions are fully funded within the proposed budget for 2009-10.

Schools

29. Harrow schools will receive an increase in pupil funding of 3.6% in 2009-10 and 4.1% in 2010-11. This means that for every pupil we will be able to spend an extra £163 next year.

Housing

30. The investment in the housing stock to achieve decent homes standard will be £7m in 2009-10, and the Council is working to improve the repairs service for tenants and leaseholders so that planned repairs and maintenance and urgent repairs are carried out quickly and to a high standard.

31. Council rents will increase by 6.1% in 2009-10, reflecting the government's policy of bring council rents into line with other social rents in the area.

Capital Programme

32. The proposed capital programme represents an investment of some £61m in 2009-10. This investment includes some very important projects such as:

- The new Whitmore school
- A range of education modernisation projects
- Investment in Adult social care facilities
- Improvements to the council's housing to achieve decent homes standard for all 5,000 properties by 2010
- Further investment in new technology, such as remote and mobile working to improve the service to customers and drive out efficiencies in future
- Ongoing investment in the borough's highways, lighting, parks, etc
- Improvements to leisure centres
- Place shaping agenda – the development of key sites in the borough

33. This investment is funded through a combination of government grants (£23m), specific allowances for housing investment, and borrowing.

34. The Council is facing significant financial challenges as a result of the current state of the economy and the Capital Programme will be maintained under continuous review. Some items in the programme may be deferred or deleted. Detailed business cases will be prepared for schemes prior to commencement, and all schemes over £250k will require explicit approval from the Leader.

Staff Resources

35. Individual members of staff have specific objectives which are drawn from the plans outlined above. This approach provides "the golden thread" and ensures that all staff are working towards achieving the Council's vision and priorities, whatever their role, and their performance is measured through an annual appraisal.

36. All council officers will be focussed on how they can help make residents and businesses lives better during the financial difficulties.

Partnership Working

37. The Council cannot deliver its plans on its own and is committed to working in partnership with the health service, police, voluntary sector and businesses in Harrow to deliver high

quality services and meet the public's expectations. This joint approach helps to build capacity and maximise the benefit derived from our resources.

38. The Council also has a number of commercial partnerships, notably with Capita, Kier and Enterprise Mouchel, which are designed to improve services, develop new skills and build capacity in key areas.

39. The Council is continually looking to engage the public in its activities and carry out meaningful consultation, for instance through the residents panels and Question Time meetings.

Property and other assets

40. The Council is actively managing its property portfolio and other assets to maximise the return in the medium to long term. This work includes:

- Looking at how the Council uses its operational buildings such as offices, social care facilities and schools to best effect
- Making sure that maintenance and improvements are carried out to buildings
- Reviewing commercial leases and rents regularly
- Selling land and property where appropriate to generate funds to invest in services. However, in the current climate its options are restricted.

Information Technology

41. The Council is investing in new technology to improve services and realise efficiencies. It is developing its Business Transformation Partnership with Capita, and moving towards a second phase of improvement, based on electronic content management technology.

42. A new IT strategy has been approved by cabinet and work is underway to develop the delivery model. A key part of the strategy is remote and mobile working ("LBH Anywhere") as this will enable the council to deliver services that are much more efficient, responsive and resilient in an emergency.

43. This will enable staff to work remotely and will allow, for instance, environmental health officers to download reports at restaurants, or carers and benefit officers to submit forms from residents' living rooms.

Conclusion

44. In conclusion the Council has developed a new corporate plan which sets out clearly its vision and priorities. The delivery of the plan is resourced by a robust and balanced revenue budget, which includes investment in key priorities, the capital programme, and the Council's staff, partnerships, property and IT.

Financial Implications

45. The detailed revenue and capital budgets are separate items on the agenda.

Performance Issues

46. The Corporate Plan is a separate item on the agenda.

Environmental Impact

47. The Council's new Climate Change Strategy was approved for consultation by Cabinet in January. The corporate plan, detailed service plans and budget include actions designed to protect the environment such as reducing energy and fuel consumption and increasing recycling.

Risk Management

48. The Council has a strategic risk register which sits alongside the corporate plan and a detailed budget risk register is included in the budget report elsewhere on the agenda.

Section 3: Statutory Officer Clearance

Name: Myfanwy Barrett	<input checked="" type="checkbox"/>	Chief Finance Officer
Date: 22 January 2009		
Name: Hugh Peart	<input checked="" type="checkbox"/>	Monitoring Officer
Date: 22 January 2009		

Section 4: Performance Officer Clearance

Name: Tom Whiting	<input checked="" type="checkbox"/>	On behalf of Divisional Director (Strategy & Improvement)
Date: 22 January 2009		

Section 5 – Environmental Impact Officer Clearance

Name: John Edwards	<input checked="" type="checkbox"/>	Divisional Director (Environmental Services)
Date: 22 January 2009		

Section 6: Contact details and background papers

Contact: Myfanwy Barrett
Corporate Director of Finance
020 8420 9269

Background Papers:

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