

REPORT FOR: CABINET

Date: 11 February 2010

Subject: Corporate Plan and Budget 2010-11 to 2012-13

Key Decision: Yes

Responsible Officer: Myfanwy Barrett
Corporate Director of Finance
Tom Whiting
Assistant Chief Executive

Portfolio Holder: David Ashton
Leader and Portfolio Holder for Strategy,
Partnership and Finance
Paul Osborn
Portfolio Holder for Performance,
Communication and Corporate Services

Exempt: No

Decision subject to Call-in: No

Enclosures: Corporate Plan (Item 8a on the agenda)

Section 1 – Summary and Recommendations

This report provides a summary of the Council's Corporate Plan and Budget for 2010-11 to 2012-13.

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 prior to the Council meeting.

Reason: (For recommendation)

To highlight the key points from the Corporate Plan and Budget for 2010-11 to 2012-13 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 2010-11 to 2012-13
 - Fees and Charges 2010-11
 - Housing Revenue Account 2010-11 to 2012-13
 - Capital Programme 2010-11 to 2012-13
2. These reports are critical elements in the Council's medium term planning process and contain much detailed information. The Corporate Plan sets out the Council's vision and priorities, Flagship Actions for 2010-11, and information about its plans for improvement. The plan also reviews achievements in 2009-10.
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.
4. The Fees and Charges report sets out all the proposed fees and charges for next year.

5. The Housing Revenue Account report relates to the Council's landlord function, and shows how much the Council intends to raise from rents and service charges and how much it will spend on the management and maintenance of the housing stock.
6. The Capital Programme sets out the Council's investment plans for 2010-11 to 2012-13 and includes a list of proposed projects.
7. 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 those plans.

Vision and Priorities

8. Over the last few months, Cabinet Members have driven the process to confirm the 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. This was considered by Cabinet in July 2009, where it was agreed that the existing corporate priorities should roll into the following year, and therefore be consulted upon with residents.
9. 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.

10. Following consultation with residents, the Council has confirmed the following corporate priorities for the next year:
 - **Deliver cleaner and safer streets**
 - **Improve support for vulnerable people**
 - **Build stronger communities**
11. The Council will therefore be directing its resources towards achieving these priorities, which are consistent with those for 2009-10. Resources are defined in the widest sense and include money, staff, work with our partners, property and other assets and information technology.
12. These three priorities are underpinned by providing jargon-free council services to all our customers at 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. We are spending money wisely and are focused on helping to make residents' and businesses' lives better.

Translating the Corporate Priorities into Action

13. The Council's Corporate Plan includes a number of **flagship actions**. The flagship actions are practical examples of what the vision and corporate priorities mean, and against which the Council is happy to be judged.

14. In each case, flagship actions are related to a specific corporate priority. They are also linked to the Cabinet Portfolio 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	<p>Improve street cleanliness</p> <p>Environment and Community Safety Portfolio</p> <p>Brendon Hills</p>	<p>Exceed the Government target of a 12% improvement in street cleanliness</p>

15. There are flagship actions for each corporate priority and these are set out in the Corporate Plan.
16. 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

17. The budget for 2010-11 to 2012-13 has been developed in the context of the Council's vision and priorities and is designed to support their achievement.
18. The economic climate is having a very significant impact on residents, businesses and the Council's own finances.

Help for Residents and Businesses

19. The council, with its partners, is making every effort to help make residents' and businesses' lives better through difficult financial times. This contributes directly to the priority of building stronger communities. In recent months this has included:
- Allowing businesses to pay their Business Rates in 12 monthly instalments rather than the statutory 10
 - Ensuring prompt payment of bills by the Council, and paying small local businesses within 10 days
 - Running Small Business Rate Relief Campaigns – so far in 2009-10 1,460 small businesses have received relief
 - Establishing a Hardship Rate Relief Fund, providing up to £200k to offset business rates for businesses suffering financial hardship
 - Offering plasma screen advertising at Gayton Road library to all tourism businesses during the summer period for just £10 per company
 - Approving a new procurement code including the "Love Harrow Shop Local" initiative, to ensure that the Council will actively seek quotes from local suppliers.

- Developing the new **Harrow Business Directory**, so buyers can easily find local suppliers when tendering.
- Sending the Recession Survival Guide to every household, offering advice on debt, housing, employment.
- Expanding the services of Harrow Citizens Advice Bureau through an additional advice kiosk
- Providing workshops, delivered by HAVS to the voluntary sector, on support available to residents during the recession.
- Launching Slivers-of-Time to provide paid work experience opportunities in the Council and NHS Harrow.
- Launching and delivering a Job Brokerage scheme providing employment to unemployed residents
- Providing work experience to people with learning disabilities and young people not in education, employment or training.
- Delivering the Xcite programme, providing work experience and support to 300 residents
- Securing funding to create jobs for young unemployed people through the Future Jobs Fund.
- Providing council tax relief to those in need
- Developing a Credit Union proposal
- Providing advice on housing, housing benefit, and council tax benefit to residents
- Providing assistance to residents at risk of losing their homes as a result of mortgage difficulties caused by job loss and the recession
- Promoting free internet access and online CV wizards to jobhunters at its library network
- 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 discounts through the Harrow leisure card available at the leisure centre and providing free swimming for residents under 16 and over 60

Financial Context

20. The development of the medium term financial plan is increasingly challenging because:

- Harrow is already a relatively low spending council
- Large parts of the budget are outside the Council’s control
- Considerable savings have been made in previous years (£45m in the last 4 years) and this makes it increasingly difficult to identify new areas for efficiencies and reductions
- The demand for services and expectations from residents and central government are growing all the time
- The local government settlement is poor for 2010-11 and the outlook for the next spending review is worse

- The previously agreed settlement for concessionary fares for London for 2010-11 has been revisited very late in the day, at a cost of £1m to Harrow
- The UK is hovering between recession and slow recovery

Government Support

21. In 2007-08 the government announced a 3 year settlement for 2008-09 to 2010-11. The general grant increase for Harrow will be 1.5% in 2010-11. Like the great majority of London councils, this settlement is the minimum it can be under the settlement, ie it is “on the floor”. The assumed grant reduction for 2011-12 onwards is 3% in cash terms (around 4.5% in real terms).

Council Tax Strategy

22. The report recommends a **zero council tax increase in 2010-11.**

23. The planned council tax increase for 2011-12 and 2012-13 is 2.5%.

24. In 2008 the Conservative Party published a policy green paper (no. 9) entitled “Control Shift: Returning Power to Local Communities” which stated the following:

“...in the first two years of a Conservative government, councils will also have the ability to contract with central government to freeze council tax. Those councils that take up the contract will have to undertake to hold the rate of rise in council tax to 2.5 per cent or less; and central government will correspondingly undertake to make a payment (found out of savings in central government advertising and consultancy budgets) equal to 2.5 per cent of that council’s council tax – so that bills can be frozen in each such council for the two year period.”

25. If there is a Conservative government after the next general election, and if the green paper becomes official policy, there would be no tax increase for Harrow residents in 2011-12 or 2012-13.

Revenue Budget

26. The revenue budget includes investment in services of £4.3m in 2010-11 (£13m over the three year period). This mainly relates to:

Deliver cleaner and safer streets

- Waste Disposal, £0.7m – to make sure Harrow’s rubbish is disposed of effectively and increase recycling
- Highways, £0.2m – to improve the condition of roads and pavements
- Neighbourhood Champions, £0.1m (this is a Council Flagship Action)

Improve support for vulnerable people

- Adult care, £1.9m – to meet the growing demand for social care and improve preventative and safeguarding services
- Children's social care, £1.2m – 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 improve leisure services, and provide additional capacity in the voluntary sector to raise external funding

27. The savings that have been identified total some £7.3m for 2009-10. Every effort has been made to maximise efficiency and minimise the impact of these savings on services to the public.

28. 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

29. The flagship actions are fully funded within the proposed budget for 2010-11.

Schools

30. Harrow schools will receive an increase in pupil funding of 4.1% in 2010-11. This means that for every pupil we will be able to spend an extra £191 next year.

Fees and Charges

31. Council services are funded from a combination of council tax, government grants, fees and charges and investment income. Many of the Council's services are free to residents at the point of use, including for example education, libraries, refuse collection and street cleaning.

32. Some of the charges that the Council makes are set by central government and are statutory – for instance the charge for planning applications.

33. Where a charge is set locally by the Council, for example for parking or home care, a number of factors are taken into account including:

- The cost to the Council of providing the service
- The opportunity to generate income
- The social benefits of the service
- The way in which customers perceive the service

- The charges levied by other providers of the service
34. Concessions are available to some groups for some charges, and home care and residential care are subject to a financial assessment which determines ability to pay.
35. For 2010-11 there will be no increase in charges for home care, and minimal changes to parking charges, and most other fees and charges will increase by around 2%, which is less than inflation.

Housing

36. The investment in the housing stock, to continue improvements beyond the decent homes standard, will be £7.6m in 2010-11. 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.
37. Council rents will increase by 2.85% in 2010-11, reflecting the government's policy of bring council rents into line with other social rents in the area.

Capital Programme

38. The proposed capital programme represents an investment of some £38m (£27m net of external grant funding), in addition to the £7.6m for housing referred to above, in 2010-11. It includes provision for:

Deliver cleaner and safer streets

- Improvements to highways, street lighting, parks and public conveniences

Improve support for vulnerable people

- Social care establishment improvements
- Private sector housing projects
- Housing Improvement Programme for the Council's own housing stock

Build stronger communities

- Improvements to leisure and cultural facilities
- A provision for economic development and regeneration projects
- Education modernisation and improvement
- Schools capital grant funding allocated directly to individual schools
- Opening of the brand new Whitmore School

Other

- New projects emerging from the Business Transformation Partnership (BTP)
- ICT infrastructure
- High priority major works to corporate buildings

39. This investment is funded through a combination of government grants (£11m), specific allowances for housing investment, and borrowing.
40. 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 of the Council.

Staff Resources

41. 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. Their performance is measured through an annual appraisal.
42. All council officers will be focussed on how they can help make residents’ and businesses’ lives better, particularly during the current financial difficulties.

Partnership Working

43. 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. This is managed through the Harrow Strategic Partnership which is chaired by the Leader of the Council.
44. 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.
45. The Council is continually looking to engage the public in its activities and carry out meaningful consultation, for instance through the residents’ panels, market research and regular opportunities for residents to have their say on specific issues.

Property and other assets

46. 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 and its partners use their 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

47. The Council is investing in new technology to improve services and realise efficiencies. It is developing its Business Transformation Partnership with Capita.
48. 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.
49. 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

50. 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. This will enable the Council to continue on its improvement journey and become one of the best local authorities in London by 2012.

Financial Implications

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

Performance Issues

52. The Corporate Plan is a separate item on the agenda.
53. The Council's ability to maintain its performance journey has been a key determiner in setting the budget. Ensuring that the budget reflects the delivery of Council priorities, which in turn reflect the views of residents, will enable the Council to continue to improve its services to residents at a better value.

Environmental Impact

54. 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

55. 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.

Corporate Priorities

56. The Council's corporate priorities for 2010-11 are integral to this report.

Section 3: Statutory Officer Clearance

Name: Myfanwy Barrett	<input checked="" type="checkbox"/>	Chief Finance Officer
Date: 18 January 2010		
Name: Hugh Peart	<input checked="" type="checkbox"/>	Monitoring Officer
Date: 19 January 2010		

Section 4: Performance Officer Clearance

Name: Tom Whiting	<input checked="" type="checkbox"/>	Assistant Chief Executive
Date: 19 January 2010		

Section 5 – Environmental Impact Officer Clearance

Name: John Edwards	<input checked="" type="checkbox"/>	Divisional Director (Environmental Services)
Date: 18 January 2010		

Section 6 - Contact Details and Background Papers

Contact: Myfanwy Barrett
Corporate Director of Finance
020 8420 9269

Background Papers:

NONE

**Call-In Waived by the
Chairman of Overview
and Scrutiny
Committee**

NOT APPLICABLE