



## Corporate and Financial Planning 2008-11

### SUMMARY

- 1.1 This report presents the proposed process and timetable for developing the Council's Corporate Plan and Budget for 2008-11, which will promote greater integration of planning and budgets at all levels.
- 1.2 In January 2007, the Council Cabinet approved the six Corporate Priorities for 2007-10, as shown in **Appendix 2**. As in previous years, the Priorities formed the basis for corporate planning and resource allocation through the Budget process.
- 1.3 Going forward, it is proposed to retain these Corporate Priorities for 2008/09 and 2009/10. The three-year Budget will be updated on this basis, with indicative estimates for 2010/11 prepared on the basis of the existing Priorities.
- 1.4 It is likely that a more fundamental review of both priorities and budget implications will be required in 2009/10 to reflect changes emerging from the White Paper 'Strong Prosperous Communities' which could have a significant impact on our Community Strategy, Local Area Agreement and our overall performance framework.
- 1.5 Subject to any issues raised at the meeting, I support the following recommendations.

### RECOMMENDATIONS

- 2.1 To confirm the Corporate Priorities 2007-10, as approved by Council Cabinet in January 2007, as the basis for corporate and financial planning in 2008-11.
- 2.2 To agree the integrated process and timetable for the development of the Council's Corporate Plan, service business plans and budgets for 2008/09 to 2010/11.
- 2.3 To refer this report to the Scrutiny Management Commission for information and comment.



## Corporate and Financial Planning 2008-11

### SUPPORTING INFORMATION

#### 1. Planning Framework

- 1.1 The Council's planning framework provides the context for developing prioritised and resourced action plans which support delivery of our vision to create 'Derby - a city for all ages'. The Council's Corporate Priorities guide resource allocation through the annual budgetary process, corporate and detailed service planning to promote improvements in service delivery. Regular monitoring of financial and performance targets is undertaken to ensure improvements are effected, with remedial action taken as necessary to address under-achievement.

#### 2. Corporate Priorities

- 2.1 In January 2007, the Council Cabinet approved six Corporate Priorities for 2007-10, which are...
- Making us proud of our neighbourhoods.
  - Creating a 21<sup>st</sup> century city centre.
  - Leading us to a better environment.
  - Supporting everyone in learning and achieving.
  - Helping us all to be healthy, active and independent.
  - Giving you excellent services and value for money.
- 2.2 The Priorities reflect both national shared priorities and local needs, as assessed by extensive consultation through area panels and other consultation forums, the Council's Pointer Panel and 'Lets talk budget' exercise. Priorities are designed to cover three years to ensure sustained focus on areas for change and to support the medium term financial planning process. However, priorities are reviewed annually to ensure relevancy and continued alignment with local needs.
- 2.3 The Corporate Priorities are not intended to identify everything the Council will do. Limiting the number of priorities highlights areas for significant improvement, and provides a focus for service development actions and resources. A list of the current Priorities and Key Outcomes is shown in **Appendix 2**.
- 2.4 The Corporate Plan and supporting action plan provide the main delivery vehicle for our priorities and show how we intend to implement changes – supported by key outcomes, actions, resources, targets, risks, timescales and responsible officers.

- 2.5 Going forward into 2008/09 and 2009/10, it is proposed to retain these six priorities as they remain relevant to both local/national contexts and are consistent with the Community Strategy and Local Area Agreement. The action plan which supports the Corporate Plan does require annual review to ensure appropriate actions and targets.
- 2.6 It is likely that a more fundamental review will be required in 2009/10 to reflect changes emerging from the White Paper 'Strong Prosperous Communities' which could have a significant impact on our Community Strategy, Local Area Agreement and our overall performance framework.

### **3. Relationship to Revenue and Capital Budgets**

- 3.1 In the context of limited resources, it is critical that the corporate and service planning and budgeting processes are more closely aligned to ensure funding is matched against priorities.
- 3.2 The indicative revenue Budgets for 2008/09 and 2009/10 were set to provide working targets for departments and Cabinet members to focus their forward plans. This was particularly crucial in order to meet the three-year 10% savings target that was set last year.
- 3.3 The 2008/09 indicative Revenue Budget requires a further £2 million of efficiency savings, based on current resource estimates to deliver a balanced budget including a further round of Public Realm. In addition estimates of corporate capital resource estimates are fully committed against the approved capital programme.
- 3.4 However there remains considerable uncertainty regarding the Comprehensive Spending Review taking place during 2007. In addition there are uncertainties over the costs of major programmes and therefore resources available to deliver Public Realm and the Asset Management Strategy. It is therefore crucial that there is an understanding that simply to maintain current service levels will be a challenge without major efficiency drives or decisions to change existing service levels in non priority areas.
- 3.5 Corporate planning has to be sensitive to the financial constraints facing the Council and value for money is in itself a priority. As in previous years, it is intended to build the agreed efficiency measures into the Corporate Plan to show how the Council is planning to make services more cost effective, whilst also highlighting areas for service improvement. Departments will review and develop plans and actions to support the priorities and key outcomes, linked to performance measures so we can track progress.
- 3.6 Assuming the Corporate Priorities will stay the same till 2009/10, indicative estimates for 2010/11 will be prepared on the basis of continuing priorities and will be subject to review as part of the Budget process in 2009/10.

#### **4. Timetable for developing Corporate Plan and Budget 2008-11**

- 4.1 In previous years, revenue budget and corporate planning processes have operated in parallel cycles to similar timetables, both leading to plans finally approved in March.
- 4.2 For 2008/09, it is proposed that final review and approval of the Corporate Plan will take place in December and January in parallel with the timetable for scrutiny of budget proposals. Previously budget consultation has predominantly taken place in January. A review of last year's consultation process will be undertaken in preparation for 2008-11 proposals.
- 4.3 There is a need to develop the approach further by integrating the timetables for business planning and budget setting, with earlier production of business plans aligned to corporate processes.
- 4.4 A proposed timetable is shown in **Appendix 3**.

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|--------------------------------------|--|
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| <b>Background papers:</b>            | None   |
| <b>List of appendices:</b>           | Appendix 1 – Implications<br>Appendix 2 – Corporate Priorities and Outcomes 2007-10<br>Appendix 3 – Timetable for Corporate and Financial Planning 2008-11 |

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|---------------------|
| <b>IMPLICATIONS</b> |
|---------------------|

**Financial**

1. The priorities provide the key driver in determining the allocation of resources in the budget process over the next three years.

**Legal**

2. None directly arising from this report.

**Personnel**

3. None directly arising from this report.

**Equalities impact**

4. An equalities impact assessment is currently being prepared for the Corporate Plan.

**Corporate priorities**

5. The report makes proposals to retain the existing priorities, which form a basis for corporate and financial planning.

## Vision, Corporate Priorities and Outcomes 2007-10

|   |   |   |
|---|---|---|
| <b>Derby – A city for all ages</b><br>People of all ages and from all walks of life will feel they belong to Derby and that Derby offers them everything they need - for work, education, housing, leisure and a safe, healthy lifestyle. |   |   |
| <b>Corporate Priorities</b>   | <b>CP1</b> - Making us proud of our neighbourhoods                | <b>CP1a</b> - Reducing Crime and anti-social behaviour  |
|   |   | <b>CP1b</b> - Making Derby cleaner and greener  |
|   |   | <b>CP1c</b> - Providing greater opportunities for people to participate in decisions about the area they live in    |
|   |   | <b>CP1d</b> - Reducing inequalities between neighbourhoods by supporting the creation of job opportunities          |
|   |   | <b>CP1e</b> - Improving the standard and range of affordable housing  |
|   | <b>CP2</b> - Creating a 21st Century city centre                  | <b>CP2a</b> - Improving accessibility to the City Centre  |
|   |   | <b>CP2b</b> - Increasing economic growth and sustainable investment   |
|   |   | <b>CP2c</b> - Increasing the quality of open spaces and the range of cultural facilities in the City Centre         |
|   | <b>CP3</b> - Leading Derby towards a better environment           | <b>CP3a</b> – Reducing the level of carbon emissions  |
|   |   | <b>CP3b</b> – Raising awareness on climate change and local environment issues                                      |
|   |   | <b>CP3c</b> – Caring for Derby's heritage   |
|   | <b>CP4</b> - Supporting everyone in learning and achieving        | <b>CP4a</b> - Improving educational achievement and narrowing the gaps in attainment                                |
|   |   | <b>CP4b</b> - Providing learning opportunities to raise skill levels for all  |
|   |   | <b>CP5a</b> - Improving the health and well-being of our communities  |
| <b>Key Outcomes</b>   | <b>CP5</b> - Helping us all to be healthy, active and independent | <b>CP5b</b> - Raising the quality of social care for vulnerable and older people                                    |
|   |   | <b>CP5c</b> - Responding quickly and effectively to local needs of children, young people and their parents/ carers |
|   |   | <b>CP6a</b> – Improving Council services  |
|   | <b>CP6</b> - Giving you excellent services and value for money    | <b>CP6b</b> - Increasing value for money  |

**Proposed Timetable for Corporate and Financial Planning 2008-11**

| <b>Date</b>                | <b>Activity</b>  |
|----------------------------|--|
| 3 July 2007                | Council Cabinet agree to retain Corporate Priorities for 2008/09 and 2009/10, using these as the basis for Budget setting for 2008-11.   |
| 31 July 2007               | Revenue and Capital Budget Strategies approved by Cabinet.   |
| July – August 2007         | Review of Budget consultation approach used for 2007/08 – ‘Lets talk budget’.<br>Departmental management teams consult on improvement priorities for their services.               |
| End of August 2007         | Budget and service planning guidance issued.   |
| September 2007 and onwards | Early preparation of Corporate Plan and Budget for 2008-11 based on agreed Priorities and Budget strategy.<br>Development of service business plans and detailed budget proposals. |
| December – January 2008    | Consultation on Budget and Priorities.   |
| 19 February 2008           | Council Cabinet considers final draft Corporate Plan and Budget for 2008/09.   |
| 3 March 2008               | Council adopts Corporate Plan and Budget.  |
| April 2008                 | Publishing of service business plans and detailed budgets.   |