



## Medium Term Financial Strategy and Revenue Budget

**2008/09 To 2010/11**

# CONTENTS

	Pages
Section 1 – Introduction	3-6
Section 2 – Stakeholder Focus	7-16
Section 3 – Effective Planning	17-38
Section 4 – Resourcing the Plans	39-60
Section 5 – Performance Management	61-64
Section 6 – Continuous Improvement	65-68
Section 7 – Environmental Assessment	69-72
Section 8 – Additional Information	73-75



# SECTION 1

## Introduction

## INTRODUCTION

### 1.1 Preamble

The Medium Term Financial Strategy (MTFS) is a key element within the Council's overall strategic planning framework. The Strategy takes a three year perspective and sets a framework for how budget pressures will be prioritised within the best estimates of available capital and revenue resources. A continuous review of Value for Money is implicit in order to ensure budgets can be maximised and allocated to meet community needs.

This is the fourth year that this long-term approach has been used and this update makes a further improvement to the benefits and use of this planning tool.

This year's document is in a new format which aims to show more clearly and comprehensively the way in which different elements of the Council's planning framework are linked. Unlike last year, when the level of Revenue Support Grant was known to the Council, the next three year local government settlement is not yet known. Prudent assumptions, therefore, have been made within this document in respect of the anticipated level of settlements in the period 2008/9 –2010/11. In this context the focus and changes of this update of the MTFS relate in the main to 2009/10 and 2010/11, although amendments to 2008/9 may be required once the level of Revenue Support Grant is known.

This document outlines how budget plans for both annual revenue budgets and capital schemes will be allocated to priorities set out in the Council's various corporate strategies and plans. This is prepared in the context of limited resource availability and clear community expectations regarding affordable council tax levels.

### 1.2 Overview of the MTFS And Forecasts

The document provides an update of the Council's MTFS which is rolled forward annually. In so doing it updates the forecasts and plans for the best estimates of available resources, expenditure requirements and how these may be funded.

The key financial/resource messages are:

- The previous strategy and approach remains robust and relevant
- Expectation that the Comprehensive Spending Review 2007 will target additional Gershon cash efficiencies of 0.5% above those forecast and that revised 3% target will need to be cashable
- Local Authority input cost pressures will be above RPI due to a range of factors
- This updated MTFS identifies a need to plan additional provision for:
  - Protecting Vulnerable People
  - Social Care needs to reflect changes in client numbers, in particular for increasing numbers of adults with learning disabilities.
  - Protecting the Environment. Ensuring we can reduce reliance on landfill to dispose of waste, but providing for the additional cost of landfill where necessary.

- Maintaining and Developing Council Assets through its Capital programme. The budget ensures a rolling programme can be developed to maintain and improve assets where possible.
- Other Improvement Priorities. A contingency will be retained to maximise flexibility in future years
- Schools. These will remain a high priority and the plan assumes above general inflation increases in funding under the Dedicated Schools Grant (DSG) funding regime.

Some savings and efficiencies have already been identified to partially address these problems, but there will be a need for long-term efficiencies and/or savings in order to fund these pressures and still ensure affordable local Council Tax levels or increases. This is considered achievable based on the Council's good track record of continuous improvement and identifying efficiency savings.

It also shows how a major capital programme will be developed to meet key requirements.

### 1.3 Structure and Overview of the Document

This update of the financial strategy and summary financial plan is structured as follows

- Section 2 Stakeholder Focus.

This section outlines how the Council interacts with National and Local Government, partnership organisations, the public of Calderdale, and its employees.

- Section 3 Effective Planning

This outlines the planning framework which the MTFS forms part of.

- Section 4 Resources

This outlines the estimates of resources likely to be available, together with key issues and priorities. It sets out the proposed approach to ensure an appropriate balanced budget, within the overall resources available. It covers how the revenue and capital resources are planned and leads on to

- Overview of Revenue estimates 2008/9 – 2010/11
- Overview of Capital estimates 2008/9 – 2010/11
- Estimate of balances 2008/9 – 2010/11

- Section 5 Performance Management

This section outlines the approach which will be used across the council to measure Corporate Performance both against internal target setting and against national benchmarks, and therefore how its financial strategies have contributed to the achievement of its corporate objectives.

- Section 6 Continuous Improvement

This section details how the Council's Performance Improvement Strategy achieves sustained service improvements for the people of Calderdale.

- Section 7 Environmental Assessment

This section includes information and analysis about the Council's environmental footprint.

- Section 8 Sources of Additional Background Information

This section details the location of further reference materials.

# SECTION 2

## Stakeholder Focus

## 2.1 The National Financial Context

Financial and service planning takes place within the context of the national economic and public expenditure plans. This part of the Medium Term Plan discusses the broad assumptions within which the budget and Medium Term Plan are framed.

### 2.1.1 The Economy and Public Expenditure – Chancellor’s Budget 2007

The Government’s Budget 2007 set out the Government’s view of the national economic situation and the public finances. The Chancellor announced that inflation would be on target at 2% before the end of the year and this would be maintained for 2008 and 2009. The economy is growing and it is expected that the growth rate for 2008 and 2009 will be between 2.5 and 3%. As outlined in this document inflation does however impact differently on individuals and organisations such as Councils.

### 2.1.2 Summary of Key Announcements

The 2007 Comprehensive Spending Review will set out the Government’s spending plans and priorities from 2008/09 to 2010/11 and will identify what investments and reforms are needed to equip the UK for the future. Over the CSR period the new ambition of 3% value for money savings per year across central and local government together with 2% growth in public spending will enable the Government to improve further front-line services.

The Government previously committed £250 million to roll out the extension of the free off-peak travel on buses for pensioners and disabled people from local to national effective from April 2008.

In the latest budget round a further commitment was made for capital investment in education to rise from £8.3 billion in 2007/08 to £10.2 billion in 2010/11.

Education spending in the UK will rise by 2.5% per annum in real terms on average between 2007/08 and 2010/11. As a result, total education spending in England will rise from £63.7 billion in 2007/08 to £74.4 billion by 2010/11.

The per pupil spend is to rise by 2010 to £6,600 narrowing the gap in investment per pupil between the state and private schools.

The Government accepts Sir Michael Lyons’ recommendation that business rates yield remain linked to RPI and that the tax is not localised.

To encourage recycling and reduce the use of landfill from the 1<sup>st</sup> April 2008 landfill tax will increase by £8 per tonne and will increase each year by a further £8 per tonne until 2010. (The current landfill tax rate is £24 per tonne).

Empty rate relief on commercial properties is to be reduced from 6 months to 3 months. In the new spending round the aim of the Government has been to ensure that resources for improving the frontline services, service priorities will continue to grow at the 4 to 4.5% yearly rate of the current spending round.

### 2.1.3 Comprehensive Spending Review (CSR2007)

The Government's detailed spending plans resulting from CSR2007 are expected to be published late 2007. It will cover the period 2008/09, 2009/10 and 2010/11 and it is anticipated that it will result in increases in formula grant below that of previous spending reviews.

The CSR will take into account factors such as:

- demographic and socio-economic change, with rapid increases in the old age dependency ratio on the horizon and rising consumer expectations of public services;
- the intensification of cross-border economic competition, with new opportunities for growth, as the balance of international economic activity shifts toward emerging markets such as China and India;
- the rapid pace of innovation and technological diffusion, which will continue to transform the way people live and open up of new ways of delivering public services;
- continued global uncertainty with ongoing threats of international terrorism and conflict and the continued imperative to tackle global poverty; and
- increasing pressures on our natural resources and global climate, requiring action by governments, businesses, and individuals to maintain prosperity and improve environmental care.

### 2.1.4 Inflation in the Public Sector

In the Budget Statement the Chancellor has indicated that inflation measured by CPI (Consumer Price Index) will fall from 3% to 2.8% and then to 2% (target level) during the current year. It is anticipated that inflation will remain on target for 2008/09 and 2009/10.

Neither CPI nor RPI may be the best rates to use when considering public sector inflation. One of the biggest difficulties in dealing with this area is to find any robust consistent method of measuring public sector inflation. The current methodology is derived from public sector outputs and has been revised many times by the ONS. The Chief Secretary to the Treasury has agreed in principle to develop a measure of public sector inflation but progress on its implementation has been slow and there has to be concern that part of the reason for the delay is that if there is a measure available which demonstrably shows funding increases at a rate less than inflation that government will feel under pressure, and rightly so, to increase its funding to local government.

The current assumption is that local government inflation is around 5%.

### 2.1.5 Annual Settlement 2008/09 to 2010/11

The results from the CSR2007 are not expected to be available until early December 2007, approximately the same time as the provisional settlement consultation figures for 2008/09 to 2010/11 (3 yr Settlement).

It is anticipated that some data and control totals will be available from mid September 2007.

### 2.1.6 Overall Floors

Floors have been a regular feature of the grant settlement. The floor element guarantees that no authority would get less than the floor increase in formula grant support from central government. Formula grant comprises Revenue Support Grant (RSG) and redistributed National Non Domestic Rates. The floor is paid for by applying a scaling factor to all authorities not at the floor resulting in them getting lower grant than otherwise would be the case.

One of the proposals put forward for the CSR is to taper out the floor element over the spending review period but this has yet to be decided.

### 2.1.7 Capping

The Local Government Minister capped eight authorities in 2005/06 (all were District Councils) whilst a further one (again a District Council) was set a notional budget which was used to constrain its ability to raise its budget in 2006/07. No authorities were capped in 2007/08.

### 2.1.8 The future of Local Government Funding

The much awaited Lyons report, published March 2007, indicated a way forward for Local Government. The report explores the future role, function and funding of local government.

In the report Sir Michael Lyons said:

*"I believe that local government is an essential part of our system of government today. Local government's place-shaping role - using powers and influence creatively to promote the well-being of a community and its citizens - is crucial to help improve satisfaction and prosperity through greater local choice and flexibility.*

*"In my final report, I call for a new partnership between central and local government. This needs to be based on changes in behaviours from all tiers of government to achieve a stronger relationship - creating a shared ambition for the future. Central government needs to leave more room for local discretion and recognise the value of local choice; while local government needs to strengthen its own confidence and capability, engage more effectively with local people, make best use of existing powers, and stop asking for central direction.*

*"I have also concluded that council tax is not 'broken', but is seen as unfair and has been put under too much pressure."*

Sir Michael presented a mosaic of reforms which tackle a complex set of problems. They include essential reforms in the short-term to tackle the most urgent problems and more radical reform options for future governments.

Short term recommendations include:

- **greater flexibility** for local authorities to place-shape with less control from the centre - by reducing specific and ring fenced grants, a new power to levy a supplementary business rate in consultation with business, and a new power to charge for domestic waste to help manage pressures on council tax, and an end to capping of council tax;
- **changes to improve fairness** of council tax, recognising that council tax benefit is a rebate, automating the system to ensure 1.8billion pounds in unclaimed benefit helps the poorest households, and raising the savings limit for pensioners to 50,000 pounds;
- **improving transparency** in the funding system by being clear about the contribution made by national taxation, and ensuring a more independent voice to inform Parliament and the public;
- **improving incentives** for local authorities to promote economic prosperity and growth, initially through reform of the Local Authority Business Growth Incentives Scheme.

In the medium term the Government should:

- revalue council tax to update the tax base and improve fairness;
- at the same time, reform council tax by adding new bands to reduce bills for those in the lowest value properties, paid for by increased bills for those in higher value properties paying more - there should be no increase in average council tax bills as a result of this;
- consider assigning a fixed proportion of income tax to local government;
- find ways to improve the incentives within the grant system; and
- consider introducing the power to levy a tourist tax if local government makes a strong case based on local public support - this would be appropriate only in some areas.

In the longer term, future governments could consider more radical reform options such as local income tax or re-localisation of the business rate, but these reforms may require greater public support and understanding than currently exists.

Sir Michael concluded:

*"Some of these changes can start immediately, building on current changes to the performance framework and Local Area Agreements; others can be taken forward in the Comprehensive Spending Review; whilst some require primary legislation. This package of reforms is designed to set out a developmental approach towards a more devolved and ambitious future for local government, based on improving relationships between central and local government, better local choices, more effective management of pressures, and greater public trust in the system as a whole."*

Central Government has given the Lyons report careful consideration but they do not intend to initiate changes before being sure they can be delivered by both Central Government and Local Government. At this stage ambitious reforms put forward have been deferred for the time being. However further consultation is continuing relating to Supplementary Business Rates and the Council Tax Benefits Scheme.

### 2.1.9 Efficiency Requirements

In the 2007 budget the Chancellor indicated that the target for cashable efficiency savings would be increased to 3% this would give a total of £26 billion a year by 2010/11 to reallocate to frontline services.

## 2.2 Revenue Support Grant and Other Major Grants

The 2007 Comprehensive Spending Review is likely to be announced early December followed by the provisional 3 year settlement. It is however considered that robust planning assumptions can still be made in advance of the CSR as follows:

#### a) School Related Spend

This will continue to be funded by ring fenced Dedicated School Grant (DSG). The only strategic option is to increase resources above DSG. It is assumed for planning purposes that school-related budgets will match the future DSG.

In the budget the Chancellor stated that there will be a continued increase in investment in schools and education giving average rises of 5% cash each year for the next three years. The actual impact on individual schools will depend on a range of factors including changes in pupil numbers.

#### b) Other Council Spend

There will continue to be some ring-fenced funded areas (eg supporting people) where budgets are set nationally. These are likely to have funding rising below RPI as part of the government planning assumption of annual efficiency savings. It is assumed that spend will follow such grant allocations in these areas.

For all other services the new grant regime has clearly and positively moved away from indicative spend/budget information. That is, there are no longer any national or local figures published of notional spending levels which drive the main formula grants (as was the case formerly under Formula Spending Shares or even earlier Grant-Related Expenditure Assesments).

The main variable is now different and following the introduction of DSG much smaller Formula Grant Allocation.

While no forward allocations have been made beyond 2007/08, it is assumed that increases will be below RPI (schools are assumed to receive above RPI ring fenced funding allowing Government to demonstrate aggregate funding increase in line with or above inflation).

Assuming there is no further revision of the underlying formulae, Calderdale might gain marginally as the damping effects 'wear out' (that is we get part of the gain held back from the new formula in 2006/07 and 2007/08). It is assumed in the main document that for budget planning for 2008/09 to 2010/11 a Formula Grant increase of no more than 2% will apply.

Final RSG increases are set by complex formulae and in the previous round by a very strong 'damping' mechanism that ensures national funding for a minimum (floor) rise by clawing back gains above the floor. For example in 2007/08 the minimum rise was 2.7% with any grant increase above that being reduced by 69% so that only 31% of any gain was received. At this stage there

is no indication as to whether the floor mechanism will be retained in this spending round. It would be sensible to assume that a floor of no higher than 1.5% is assumed for future years. The possible extra 0.5% increase identified above would represent similar levels of release of gains in future years.

c) Costs

The Council is likely to continue to face many costs increasing above RPI. While there are a small range of costs which are decreasing (e.g. IT equipment, and some consumable costs) our largest cost, pay, will include further phased increases in superannuation costs resulting in above RPI cost increases.

## 2.3 Overview

This MTFs sets the framework for detailed budget planning over the next three years to 2010/11. The forecasts of resources and cost pressures are likely to be robust but some factors will change and that is why this strategy is rolled forward and updated every year.

Each year the Council finally sets the Council Tax and associated revenue budget before the 1<sup>st</sup> March. Prior to this, Cabinet brings forward a detailed draft budget for consultation with the community ranging through detailed member panels and user forums to individual representations / comments to the Council through the website or via individual Councillors.

## 2.4 Public Focus and Consultation

While there is specific consultation on the budget this must be seen as one element of ongoing involvement with the community.

The Council undertakes a wide range of public consultation and engagement activities each year. These include consultations on;

- key strategic policies such as the Futures Plan and the Unitary Development Plan
- the development of important services such as the Waste strategy
- the delivery of regeneration projects in different parts of the district
- public satisfaction with services and the planning of improvements
- customer and client feedback on services

These initiatives take many forms such as the Councils Citizens Panel (1,500 residents who respond to a postal questionnaire 3/4 times per annum), public meetings, discussion groups, face-to-face surveys and customer feedback surveys. The Council also provides a web-based facility, Calderdale Engage, which enables the public to find out about and get involved in any live consultations or specify topics of interest on which they will be notified when any relevant consultations take place in the future.

The Council also seeks to ensure that the findings of this activity are fully utilised in its forward planning and performance improvement initiatives.

Calderdale Engage enables the Council to have a comprehensive record of consultation activity, including the findings of projects and the actions taken as a result. This supports the Council's You said - We did approach and provides an evidence base to inform the review and updating of its performance plans. Nine of the Council's partner organizations have now joined Calderdale Engage in order to ensure that consultation is consistent between partners and to avoid duplication.

## 2.5 Issues Raised in this Update of the MTFs - Do you agree?

The guiding principles of the MTFs are set out in Section 3. It builds upon the proposals set out last year but some updates have been made to include 2010/11 as well as changes in external factors, in particular external government grant regimes.

### Issues for Comment

- a) It is recommended that the next budget round should where possible take a longer term perspective covering, within the limitations of necessary forecasts of resources, a 3 year perspective. We believe this is far better than always taking one year decisions which tend to involve pragmatic action which can be quickly implemented rather than well prepared longer term approaches.

*Do you agree with this change or do you think we should only make decisions in the light of final information available each year?*

- b) This Strategy provides for planned increases in resources to address the following priorities and pressures:
- Protecting Vulnerable People
  - Looked After Children
  - Social Care needs to reflect changes in client numbers, in particular for increasing numbers of adults with learning disabilities.
  - Protecting the Environment to ensure that we can reduce reliance on landfill to dispose of waste.
  - Schools. These will remain a high priority and the plan assumes above general inflation increases in funding under the new Dedicated Schools Grant (DSG) funding regime.
  - Maintaining and Developing Council Assets through its Capital programme. The budget ensures a rolling programme can be developed to maintain and improve assets wherever possible.
  - Other Improvement Priorities - a contingency will be retained to maximise flexibility in future years and help find the aspirations of the Council's Corporate Plans set out elsewhere in this document.

*Do you agree with these major resource proposals?*

*What do you believe should be the improvement priorities in future years?*

- c) Level of Council Tax. This Strategy takes forward the principle of containing overall expenditure within low, affordable Council Tax rises despite Government revenue support grant increases which are insufficient to keep pace with inflation and the increasing demand placed upon local authorities. The Government no longer formally sets an assumed Council Tax increase. It has however indicated it is prepared to cap 'excessive' Council Tax increases.

This Strategy proposes that Council Tax levels should rise no more than 5% annually which should ensure that the Council remains within any likely capping criteria set by central government and is consistent with the decisions made at Budget Council for 2006/7 and 2007/8.

*Do you think this approach is appropriate?*

- d) To ensure the Strategy can be funded without excessive rises in Council Tax there will be a continual review of Council costs and services. Resources released will be reinvested in priorities as outlined in this strategy.

*Do you agree that savings should be used to improve priority services?*

*Do you have any other proposals for priorities or improvements in the way the Council delivers its services?*

## **2.6 Partnerships – Local Area Agreement**

Following Cabinet approval to the overall direction of travel and Calderdale Forward Board approval in January 2007, Calderdale's Local Area Agreement was subject to final negotiation. This involved securing final approval from GOYH, DCLG and the rest of Central Government about the agreed outcomes and targets. Final agreement was reached by 22<sup>nd</sup> March 2007. The Minister for Local Government and Community Cohesion Phil Woolas MP then formally signed the final LAA draft on 29<sup>th</sup> March 2007. In parallel with these negotiations Calderdale Forward partners have been working together to develop the partnership structure required to ensure successful implementation of the LAA. Key developments have included:

- Calderdale Forward's agreement last November of the overall Local Strategic Partnership Structure: An Extended Board, Delivery Group and delivery Partnerships for the six LAA priority themes of Economy and Enterprise, Environment, Safer and Stronger Communities, Healthier Communities, Older People and Children and Young People.
- The Calderdale Forward Board approval of the membership of the new Extended Board on 17<sup>th</sup> January 2007. The new Board includes Member representation from the three main parties, and will be chaired by the Leader of the Council. The Board held its inaugural meeting on 18<sup>th</sup> April. The LSP was also formally launched at this meeting.
- A new LSP Delivery Group which held its first meeting on 31<sup>st</sup> January 2007, and agreed the Chief Executive of the Council will chair meetings. The Delivery Group has met monthly in order to ensure the first six-monthly report to GOYH on LAA performance is delivered satisfactorily.

In addition to the new partnership arrangements Calderdale Forward partners have worked together to ensure that support arrangements are in place to achieve the LAA outcomes. Key actions have included:

- The production of a new LAA Delivery Plan which confirms the key actions partners will take to ensure LAA targets are achieved. A copy of the draft

Delivery Plan was considered by the Calderdale Forward Board at its meeting on 18<sup>th</sup> April 2007.

- The agreement to set up an LSP and Partnership Support Team funded from the Calderdale Forward pooled budget.
- The development of a shared LAA performance database and reporting arrangements to support the reporting and evaluation of performance on a quarterly basis.

## 2.7 Staffing

The Council undertakes a survey of all its non-teaching staff every three years. The aim of the survey is to assess staffs' views of the quality of their working life.

Subsequent to the publication of this years survey each directorate is to appoint a working party to address any issues raised by the survey within their own area. Directorate teams will be supported by a corporate team that will maintain an overview of any issues raised and make any recommendations on policies and/or procedures that need to be addressed.

The Chief Executive regularly holds staff briefings in which all employees are invited to attend and listen to what is happening at the Council and how it will affect them. They are also invited to ask questions and take part in debates about work issues.

All Directorates hold briefings with their employees in which employees are invited to put forward ideas and proposals which could help to improve individual, service or directorate performance or working conditions. Staff are regularly consulted on issues that affect them and are asked to give their views on various topics which then assists in the decision making process.

# SECTION 3

## Effective Planning

# OVERALL PRIORITIES, PRINCIPLES, AND POLICY UNDERLYING THE FINANCIAL STRATEGY

## 3.1 Overview of Sections

This section outlines both the Councils overall priorities, together with the principles and policies which are used in relation to balancing overall revenue resource constraints in both revenue and capital terms and how these inform medium term financial planning.

## 3.2 Planning Framework

The Council Improvement Plan establishes the overall planning framework which sets out the place of the financial strategy in ensuring the resources are focused on its priorities.

The purpose of the Council's planning framework is to ensure that the Council's corporate priorities are cascaded down through the Calderdale Futures Plan, Local Area Agreement (LAA) and Council Improvement Plan into the Medium Term Financial Strategy, service plans, and individual performance appraisals. It also ensures that resources are aligned with the Council's priorities for improvement. This is shown diagrammatically as follows:



The financial strategy aims to set a framework for budget planning in the medium term to guide budget decisions, in both revenue and capital expenditure. It provides best information in relation to cost pressures and potential resources, which are used to ensure balanced and affordable budgets can be set within the priorities set in the Council Improvement Plan.

This update of the MTFs also aims to show, in one place, how the various elements of the Council's planning framework link together.

### **3.3 The Futures Plan**

The Council's long term overall vision, agreed with our partners, is set in the Futures Plan and the Local Area Agreement. The Council's priorities for the medium term to address this are shown in the Council Improvement Plan.

The consultation for the Calderdale Futures Plan 2006-2016 started in June 2005 with an evaluation by independent consultants of the key trends and challenges facing Calderdale in the future. Their recommendations were based on an assessment of a wide range of consultations with local people and other stakeholders and consideration of local, regional and national trend information.

These recommendations informed the development of an "Outline" draft of the Plan. This was circulated in late 2005 to the Calderdale Forward family of partnerships for comment. This included the Council's internal Management Forum on 22 November. Over 485 representatives from the public, private, voluntary and community sectors received a direct invitation to comment, over 300 copies were circulated, and 32 responses were received.

These responses were considered by the Calderdale Forward Board in January 2006, and informed the content of the first "Consultation" draft. The consultation draft was then circulated widely and published on the Council and Calderdale Forward websites. Calderdale Forward also commissioned independent consultants to complete a sustainability appraisal of the consultation draft.

Forty organisations and partnerships gave feedback on the consultation draft. Their comments informed the content of the final draft. Calderdale Forward Board and the Council approved the final draft of the Futures Plan 2006-2016 in April 2006. Individual members of the Calderdale Forward Board were then given a 'cooling off' period to mid-May in which to ensure their respective accountability bodies considered and approved the Plan..

The Council Ambition Statement and Corporate priorities, together with how the Council plans to meet our contribution to the Futures Plan, is set out in more detail in the Council Improvement Plan.

### **The LAA Delivery Plan and Council Improvement Plan**

#### **3.4 The LAA Delivery Plan**

The starting point for the development of the LAA was the Futures Plan which came out of detailed consultation with key stakeholders. The LAA represents a strong commitment with partners to deliver improvements among the most deprived areas and groups within the District and narrow the gap between prosperous and disadvantaged communities.

#### **3.5 Equalities of Outcomes**

Calderdale's citizens are diverse in many respects, across factors such as race, faith, culture, language, age, sexual orientation, physical and mental capacity and many others. These differences often mean that our customers have diverse needs in relation to the services we provide. As an employer, service provider and regulatory body, the Council considers diversity when developing, delivering and reviewing policies and services to ensure we meet the needs of all our citizens. Equality Impact Assessments

provide a systematic process to doing this and therefore help to improve service delivery and employment practice.

The need to undertake Equality Impact Assessments (EIA's) arises from the following pieces of legislation: the Race Relations Amendment Act 2000; Disability Discrimination Act 2005; and, the Equality Act 2006. We also have an obligation to comply with Regulations on Sexual Orientation and Religion or Belief, which were introduced in 2003. The Council applies this process to issues of race, gender, disability, sexual orientation, religion or belief and age. The Council is also committed to undertake EIAs to achieve further levels of the Equality Standard for Local Government.

As part of this process the Council publishes details of completed EIAs. A summary of each completed EIA is available at the following web address:

<http://www.calderdale.gov.uk/community/equality/impact-assessments/2007/index.html>

### 3.6 Narrowing the Gap

The LAA carries forward the commitment from the Futures Plan to narrow the gap between deprived and better off parts of the District. It seeks to achieve this by identifying specific outcomes needed to narrow the gap or by focussing on activities directed at particular groups. Although the general approach is to focus on the most deprived areas, it also recognises that inequalities exist outside of those areas and between different groups in the population.

### 3.7 Council Ambition Statement

The Cabinet has recommended to Council the following ambition statement for approval:

'We want Calderdale to be a place where we value **everyone** being **different** and through our actions we demonstrate that **everyone matters**. This will be achieved by continuing to work with local people and partners'

This section provides an overview of the Council's seven Corporate Priorities, as set in the 2007-08 Council Improvement Plan. It then shows how these feed down to each of the Council's six Directorates and how other cross cutting strategies for example the IT Strategy and Human Resources Strategy support the implementation of the Council's priorities.

### 3.8 Council Improvement Plan 2007-08

The Calderdale Council 2007-08 Council Improvement Plan is the key document in shaping services to deliver the Council's new ambition statement and corporate priorities. It is a plan that is reviewed and updated annually. It focuses on the Council's contribution towards the Futures Plan and Local Area Agreement as well as key aspects of the Comprehensive Performance Assessment.

The Council Improvement Plan sets the Council's Corporate Priorities as follows:

<b>Corporate Priorities</b>
<b>CP1: Economy and Enterprise - to safeguard Calderdale's future and foster economic prosperity for all</b>
<b>CP2: Environment - to improve the quality of our environment and promote respect for Calderdale's heritage</b>
<b>CP3: Safer and Stronger Communities – to prosper as a place where people can feel safe and are encouraged to get involved in shaping their future</b>
<b>CP4: Healthier Communities – to reduce the amount of preventable ill health across the population as a whole</b>
<b>CP5: Older People – to ensure that people stay in control of their own lives and play a full and active role in society</b>
<b>CP6: Children and Young People – to flourish as a place where every child and young person thrives, is safe and happy</b>
<b>CP7: Use of Resources – to ensure that resources are allocated and used efficiently and effectively to meet the Council's priorities.</b>

Set out below are the Council's seven Corporate Priorities and the revised target Outcomes of each:

### **3.8.1 Corporate priority 1: Economy and Enterprise – to safeguard Calderdale's future and foster economic prosperity for all**

Lead Directorate – Regeneration and Development

#### **Overview**

The nature of the local economy is rapidly evolving as the district continues its transition from a traditional industry base to an increasingly diverse economic structure. There is also a growing inter-relationship with Leeds and Manchester reflected in increasing journey to work movements each day into/out of the district.

The West Yorkshire Strategic Economic Assessment indicates that economic growth in Calderdale has been modest in recent years and that there are several weaknesses in the economy, which need to be addressed if the district is to maximise its potential. There is significant economic and social deprivation in some communities, which need to be addressed in accordance with the theme of narrowing the gap. There are also key weaknesses in the district around levels of skills and qualifications in the working

population. For the economy to prosper local businesses have identified a need for a better trained, more skilled and flexible workforce. The launch of the University Centre Calderdale, in conjunction with Leeds Metropolitan University should help to progress these ambitions.

The Strategic Economic Assessment also identified the concentration of people with health conditions and other disabilities in areas with high levels of deprivation. Closer partnership working is helping to assist these people back into employment. Although education attainment in the district is above average in many areas, post 16 achievements and work based learning remains below average. A collaborative 13-19 strategy has been developed to address the shortage of work-based training. The need to find land and premises for new employment remains a key issue if Calderdale is to develop a balanced and integrated city-regional role and avoid becoming a dormitory for Manchester and Leeds. This is a challenging issue due to topographical and infrastructure constraints.

In terms of opportunities, Calderdale has been successful in attracting inward investment, particularly in the financial and business services sector. It has also seen over recent years significant growth in the creative industries, particularly in the west of the Borough partly due to the proximity to Manchester, which has a recognised strength in this area. There is potential to take advantage of opportunities of the digital economy including broadband and new technologies.

The Assessment also identified that three-year business survival rates in Calderdale have been consistently below the regional and national average. To enable more businesses to grow, better coordination of business support is to take place. The district will also seek to build on sectoral growth opportunities, for example in health and social care, tourism and digital/creative industry. Part of the ambition to improve the district's economic well being will be to harness the contribution of the dynamic and vibrant town centres and to develop the Urban and Rural Renaissance programmes with Yorkshire Forward.

### **Target Outcomes:**

- Increased skill levels amongst the district workforce to access quality employment
- Increasing employment for disadvantaged groups and workless
- Increased attainment levels of young people by age 19
- Increase of successful and sustainable existing and new businesses
- Dynamic and vibrant town centres

The outcome we seek is an increasingly prosperous Calderdale with a reduction in the economic disparities across the Borough and access to secure employment for all residents. A sustainable future for the area must be based on a community where people can both live and work.

### **3.8.2 Corporate priority 2: Environment – to improve the quality of our environment and promote respect for Calderdale's heritage**

Lead Directorate – Regeneration and Development

## **Overview**

At a local level the concern is to ensure clean streets and well maintained and safe parks and open spaces.

There is a need to raise awareness and improve information about the local impact of global climate change in areas like energy conservation and reduction of pollution. Priorities being developed include reduction in emissions, improving energy efficiency in homes and businesses and increasing recycling rates to meet both local and national targets and policy.

Dealing with household and commercial waste, and protecting Calderdale's land, habitats and wildlife are also seen as important challenges.

Housing, transport and climate change have been identified as priorities to be addressed through local plans and strategies including the LAA and these are seen as important strategic issues. The Regional Housing Strategy, Spatial and Transport Strategies, Economic Strategy, Climate Change Action Plan and the West Yorkshire Local Transport Plan provide the strategic framework at the regional and sub-regional level and priorities and outcomes need to nest within these strategies.

Priorities include the provision of good affordable homes in the district particularly in rural areas. The LAA also represents an opportunity to reconfigure sheltered accommodation to better match local demographics.

Transport issues are a major concern as car usage continues to increase, with more people out commuting to Leeds and Manchester for work. This has significant implications for the transport infrastructure and the environment.

Further information on the Council's environmental footprint and plans is given in Section 7.

### **Target Outcomes:**

- Cleaner, greener and safer public spaces
- Tackling Climate change through reduced green house gas emissions
- Increased access to and enjoyment of green spaces and the countryside
- Reduce waste to landfill and increased recycling
- Residents have access to affordable, sustainable, good quality housing
- Improved access to affordable rural housing in Calderdale
- The rural and urban heritage and local wildlife habitats in the District are conserved, enhanced and enjoyed
- The transport needs of residents, businesses and visitors in the district are met
- Residents and visitors to Calderdale are safe on the District's roads

All these issues are important to the local environment and the Council has wide ranging responsibilities for maintaining, protecting and improving the built and natural environment in Calderdale now and in the future.

### **3.8.3 Corporate priority 3 – Safer and Stronger Communities – to prosper as a place where people can feel safe and are encouraged to get involved in shaping their future**

Lead Directorate – Community Services

#### **Overview**

By working with all stakeholders, Calderdale aims to be a place where people are safe, feel safe and where people from all communities feel they belong and want to live.

Calderdale recognises that solutions to crime, antisocial behaviour, drug and alcohol abuse, youth offending and domestic violence need to be holistic and can only be tackled through joint working.

Calderdale has seen dramatic reductions in robbery, domestic burglary and car crime in recent years. The focus is now on reducing levels of crime such as anti social behaviour, criminal damage and violent crime. Particular emphasis is placed on narrowing the gap between the defined Neighbourhood Management areas of Park, Ovenden, Mixenden and the rest of Calderdale. It is also important to reassure the public about fear of crime and surveys suggest that since people generally feel safe in their own homes, the emphasis should be on safety in wider public areas.

Calderdale has a very successful record in providing effective drug treatment programmes and has been used as a model of excellence and a pilot for national programmes. The emphasis has now moved to addressing the underlying issues and re-integrating drug users into the community through settled accommodation.

Calderdale recognises that relations within and between communities are a fundamental part of harmonious society, built on mutual respect and is committed to promoting greater cohesion between settlements and cultures. Calderdale Forward adopted a three year community cohesion strategy in 2005, which has at its heart the simple idea that “the future of the district depends on maintaining and building on good relationships between its diverse communities”.

Calderdale recognises that lower level anti social behaviour can have a more disturbing impact on individuals and communities than what are sometimes regarded as more serious crimes. We will seek to tackle anti social behaviour and reduce the number of first time entrants into the youth justice system.

Empowering local people to influence the delivery of local services is a priority in many themes. Different models are being explored through the Neighbourhood management programme. Emphasis will be placed on reducing inequalities and in particular the gap between neighbourhood management areas and the rest of Calderdale. Other areas of focus include prolific and priority offenders who are known to commit a disproportionate amount of crime. A number of dedicated joint working teams have been set up to specifically address this problem.

Tackling domestic violence is also a priority in Calderdale through improving victim support services. It is recognised that a significant impact can be made by reducing the offending by perpetrators, who may target more than one victim.

There is a solid foundation of Voluntary and Community Sector organisations involved in and influencing the delivery of local services. It is vital that this relationship is further developed and enhanced for the benefit of local people.

Calderdale recognises the role that culture and sport can play in strengthening communities and so emphasis is placed on improving accessibility from priority groups. This fits in with the Council's aim of ensuring that equality and diversity is embedded in everything it does.

### **Target Outcomes:**

- Reduce Crime
- Reassure the public, reducing the fear of crime
- Reduce the harm caused by illegal drugs
- Build respect in communities and reduce anti-social behaviour
- Empower local people to have a greater voice and influence over local decision making and a greater role in public service delivery
- Improved quality of life for people in the most disadvantaged neighbourhoods; service providers more responsive to neighbourhood needs; and improved service delivery
- Reduce re-offending (through addressing the using and support needs of offenders)
- Improved services for victims of domestic violence through targeted schemes
- Enrich individual lives, strengthen communities and improve places where people live through culture and sport, including libraries and the historic environment
- To strengthen the Voluntary and Community Sector's (VCS) role in strategic decision making and in the planning and delivery of public services

### **3.8.4 Corporate priority 4 – Healthier Communities – to reduce the amount of preventable ill health across the population as a whole**

Lead Directorate – Health and Social Care

#### **Overview**

The Healthier Communities Delivery Partnership has as its key themes:

- To improve health across all sections of the population, and
- To narrow the gap between those areas with the worst and best health.

The outcomes in the Healthier Communities LAA theme reflect the six key priority areas identified in the Government's Choosing Health White Paper, published in 2004 and are supported by a range of partners both within health, such as the Primary Care Trust, the local Foundation Trust and mental health trust, as well as partners across the LSP.

In Calderdale the health inequalities are strikingly apparent in geographical areas but inequalities may also exist in population groups, carers, people with mental health problems or learning difficulties or Looked After Children. These inequalities have been increasing and action to address the inequalities will focus on reducing smoking, improving diet and increasing physical activity.

A thread that runs through this and other LAA themes is the need to take action within the workplace setting. This is one of the means to ensure men's health is improved and it also builds upon the regionally and nationally recognised workplace health promotion programmes that have been developed in Calderdale. The overall focus of the work is

to support lifestyle change and one of the key levers to achieve this will be through work in primary care settings.

The focus will be on improving both child and adult health. For example, to provide a healthy start for children, the emphasis will be on reducing smoking during pregnancy, improving breastfeeding maintenance rates, increasing the number of smoking quitters and increasing the range and effectiveness of oral health measures.

Action in these areas will be further supported by a focus on increasing physical activity through walking and cycling.

### **Target Outcomes**

- Improve Health and reduce health inequalities
- Reduce premature mortality rates and reduce inequalities in premature mortality rates between wards/neighbourhoods with a particular focus on reducing the risk factors for heart disease, stroke and related diseases (CVD) (smoking, diet and physical activity)
- Oral Health

### **3.8.5 Corporate priority 5 – Older People – to ensure that people stay in control of their own lives and play a full and active role in society**

Lead Directorate – Health and Social care

#### **Overview**

One of the distinctive features in Calderdale is that the numbers of people over 50 is forecast to increase substantially, and higher than the national average over the next 10 years. These changes include an increasing number who may be frailer and/or have long-term medical conditions, raising potential issues of health inequalities.

The LAA addresses all aspects of Calderdale's developing approach to older people and sets out our key priorities in relation to this age group. Notwithstanding the broader agenda which Calderdale's partner agencies are determined to address, it is recognised that for many adults health and social care services remain crucial.

Improving the quality of life of older people is a key issue. Progress towards this can be achieved through improving home care services and reducing the length of time that older people have to wait for assessments. We are also seeking to reduce the numbers of older people admitted to residential and nursing care by enabling people to stay in their own homes.

Older people will be encouraged to participate in the community and to make more use of the local facilities, thus making a greater contribution to the lives of the community. Calderdale has a higher proportion of older owner-occupied properties than the average. This means that there are linked priorities in relation to housing. The issues, which need to be addressed, include ensuring a decent standard of housing, providing warm housing (by increasing the number of households with affordable warmth measures installed), assistance in the avoidance of fuel poverty, and encouraging the take up of housing benefit. This would have a major impact on the economic well being of older people.

## **Target Outcomes**

- Improved Health
- Improved Quality of Life
- Making a Positive Contribution
- Choice and Control
- Economic Wellbeing
- Personal Dignity
- Freedom from Discrimination

### **3.8.6 Corporate priority 6 – Children and Young People – to flourish as a place where every child and young person thrives, is safe and happy**

Lead Directorate – Children and Young People’s Services

#### **Overview**

The LAA fully reflects the top partnership priorities we have identified in our Children and Young People’s Plan to improve the lives and well-being of Calderdale’s children and young people, with a focus on those measures where effective multi-agency working is of paramount importance.

One of the top priorities includes improving young peoples’ sexual health and reducing the number of teenage pregnancies. Although health measures in Calderdale are in line with national averages there are inequalities between different localities and between groups of children and young people. A multi agency approach is being taken to address these inequalities. Support to children with mental health difficulties is also a priority as the number of children with identified mental health issues is rising.

The early assessment, intervention and prevention of vulnerable children is another priority. Focus will be placed on intervention and prevention to avoid families at risk going into crisis. Reducing the number of children and young people affected by domestic violence or who are at risk of sexual exploitation are key areas within the aim of keeping children safe and again early intervention will be critical. Supporting children and young people to stay safe was identified within the Joint Area Review as an area requiring additional resources.

Standards of educational achievement in Calderdale schools up to and including Key Stage 4 are above average and improving. The focus in achievements will therefore be on maintaining these improvements and reducing the variability between schools. Similarly, the educational attainment of looked after children is above average and improving but the multi agency approach is being used to develop the understanding of barriers to effective learning for individuals.

Strong multi agency working is having a positive effect on reducing anti social behaviour, youth offending and re-offending. Further emphasis is being placed on a shared understanding of restorative justice and behaviour management and preventative services.

Opportunities for all children and young people to participate in decision making about their lives and the services that affect them lies at the heart of our local change for children programme.

Plans to strengthen the skills of 13-19 year olds and improvements to work based training will be addressed through the Economy and Enterprise theme. Whilst looked after young people are well supported in their transition to adult life, there are specific gaps in provision for young people with more complex needs and for young people who are over 19 years of age and there is a need to develop and implement a multi-agency strategy to meet these particular needs.

### **Target Outcomes:**

- Being Healthy
- Staying Safe
- Enjoying and achieving
- Making a Positive Contribution
- Achieving Economic well-being

### **3.8.7 Corporate priority 7 – Use of Resources – to ensure that resources are allocated and used efficiently and effectively to meet the Council’s other priorities.**

Lead Directorate – Corporate Services

### **Overview**

This Corporate priority is concerned with ensuring that resources across the wider Council are allocated and used efficiently and effectively to meet the Council’s other corporate priorities.

‘Use of Resources’ also has responsibility to ensure that recommendations generated from any external review bodies together with the Council’s Annual Audit and Inspection Letter are actioned.

Management of Use of Resources is strengthened further by formal reporting to the Corporate Services Scrutiny Panel on Performance considerations.

### **Target Outcomes:**

- Focus on improving poor performing services and consistent improvement across all service areas
- Formalise and embed across the Council value for money processes to challenge and manage costs and performance
- Understand the reasons behind and take action to improve customer satisfaction
- Ensure that in all cases data is sufficiently robust and comprehensive to enable the Council to manage performance effectively
- Develop with partners robust performance management arrangements to support the delivery of the Local Area Agreement
- Embed our approach to narrowing the gap and improve equal opportunities and access

### 3.9 Cross Cutting Strategies

The Council also has a number of cross cutting strategies, the main strategies covered in this section are the ICT Strategy, the Asset Management Plan and the Human Resources Strategy.

The strategic objectives have been reviewed as part of the Council's annual planning cycle and some changes have been made to help us focus more effectively on current priorities and areas for development.

The following extracts from the relevant plans demonstrate the extent to which cross cutting strategies link to wider Corporate Priorities.

#### 3.9.1 ICT Strategy

'The scope of the ICT strategy goes beyond the technical issues of ICT and involves everyone who is responsible for providing services. The actions required are not confined to the ICT service as the plan incorporates actions for service managers throughout the Council.'

The ambition of the ICT strategy is to plan real business transformation and better service delivery using ICT as an enabler.

The key objectives are:

- To support the implementation of Council policies and Strategies.
- To enable the continued transformation of Council Services using ICT to achieve customer centred service delivery
- To identify and measure actual and potential efficiency gains through ICT enablement
- To pursue opportunities for partnership working and shared services enabled by ICT to meet Council priorities
- To provide value for money ICT Service delivery in line with industry best practice and government standards.

The MTFS links to this strategy in providing the resources to implement the strategy and incorporating the efficiency savings which have been derived from the implementation of ICT.

#### 3.9.2 Asset Management plan

This is summarised in the Council's vision for property which is 'To ensure the economic, efficient and effective provision and use of property to support all services in the successful delivery of the Council's Corporate Priorities'

The Council's Policy for Corporate Property is 'To occupy fewer buildings which are efficient, compliant, fit for purpose and maintained to a compliant standard' This policy is underpinned by four policy objectives;

- To make efficient and effective use of the Council's property holdings
- To rationalise property ownership, liability and use wherever reasonably possible
- To ensure that retained properties are sustainable, legislatively compliant, in good condition, flexible in use (generic in design), fit for purpose, and (most importantly) support improvements in service delivery
- To optimise (new) construction and maintenance expenditure

Again the MTFs links with the Asset Management Plan, through the Capital Strategy, in providing the resources to rationalise or maintain property and in generating resources when rationalisation takes place.

### 3.9.3 Human Resources Strategy

The philosophy of HR and Change is one of continuous improvement. We aim to provide a professional service, with a positive approach to people in all aspects of their employment.

In setting out our actions, we are working towards our goals of becoming a key player in shaping the future of Calderdale, working together to deliver a common approach and producing a service that Managers value greatly.

As a key player in shaping the future of Calderdale we will:

- Recruit and select the right candidates in the right place at the right time in the right job in order to deliver a customer focused, high quality service to the residents of Calderdale.
- Create a philosophy of attendance in the organisation and promote the well being of staff members as vital to the success of Calderdale's ability to offer a customer focused high quality service.
- Provide a consistent framework for in-depth analysis of people management statistics and reports that will help Managers plan future actions and strategies for their service.
- To introduce a pay and rewards structure that helps attract, retain and develop a skilled and flexible workforce whilst striving for value for money in service delivery.
- To review Council policies dealing with the management, development and deployment of people in order to attract, retain and develop the employees the Council requires.
- Coordinate a council wide approach to the management and development of staff and the organisation, helping to create a culture of empowerment and excellence. To manage change effectively and to assist the organisation in its ability to improve performance management

Again the MTFs links with the Human Resource Strategy by providing the resources needed to implement the strategy and then incorporating savings derived from the efficiency elements of the strategy.

### 3.10 Directorate and Service Plans

Calderdale Council comprises of five Directorates. Each Directorate contributes to, or has lead responsibility for meeting the Corporate Priorities as defined in the Local Area Agreement and Council Improvement Plan. The contribution each Directorate make to the Corporate Priorities is set out in the Directorate and Service Plans.

Set out below are the main responsibility for each Directorate and how they link to the Corporate Priorities as defined in the Local Area Agreement and Council Improvement Plan

### 3.11 Community Services

#### 3.11.1 Main Responsibilities

The Directorate's overall aim is "To make a significant contribution to the quality of life of Calderdale's residents, workers and visitors by providing a wide range of cultural, housing, recreation, customer and community services".

Our main responsibilities are:

- Providing libraries and tourist information centres
- Providing swimming pools and sports centres, and sport development services
- Managing museums and art galleries, the Victoria Theatre and Hebden Bridge Picture House
- Managing the Piece Hall and local Public Halls
- Strategic planning of housing provision, and providing a range of housing related advice and support services
- Managing the Council's Web Site and the Council's Customer First service
- Maintaining parks, open spaces and play areas
- Managing Park Wood Crematorium and cemeteries
- Providing street cleaning and graffiti removal services
- Making Calderdale a safer place through the Safer Communities Partnership, the Youth Offending Team and the Drug and Alcohol Action Team, and managing the Street Warden scheme
- Working to improve community relations, promoting equalities and supporting voluntary organisations through grant aid.

#### 3.11.2 Links to Local Area Agreement and Council Improvement Plan

The Directorate has lead responsibility for delivering Corporate priority 3 – Safer and Stronger Communities.

- To develop a place where people can feel safe and are encouraged to get involved in shaping their future.

It also has an important role in two other priorities:

- Environment - To improve the quality of our environment

- Healthier Communities - To reduce the amount of preventable ill health across the population as a whole

### 3.12 Health & Social Care

#### 3.12.1 Main Responsibilities

- Undertake Assessments to ensure those adults in need receive appropriate service provision
- Provide day services, home care, respite care, supported living, residential and nursing care to those adults who have an assessed need
- Provide community occupational therapy services to enable people to live in their own homes
- Ensure the protection of adults and to act promptly in cases where abuse has or is likely to occur
- Provide a refuse collection service including opportunities for re-cycling
- Responsibility for the local environment in terms of safety and cleanliness
- Overall responsibility for commissioning services for service users

#### 3.12.2 Links to Local Area Agreement and Council Improvement Plan

The Health and Social Care Directorate has lead responsibility for the actions and targets associated with corporate priorities 4 and 5,

- Healthier Communities – to reduce the amount of preventable ill health across the population as a whole
- Older people – to ensure that people stay in control of their own lives and play a full and active role in society.

The Directorate also contributes to the following other Corporate Priority.

- Environment - To improve the quality of our environment

### 3.13 Children and Young People's Services

#### 3.13.1 Main Responsibilities

The Children and Young People's Services Directorate has lead responsibility for working with partners to provide support services for Calderdale's children, young people and their families including early years, education, family support and safeguarding and care services.

We recognize that all children and young people are different and everyone matters. Our ambition is to ensure that all Calderdale's children and young people are kept healthy, safe and enabled to fulfill their full potential by:

- Providing leadership and direction to ensure the development and delivery of integrated services for children and young people;
- Working with partners to determine the shape and nature of Calderdale's integrated services for children and young people
- Developing child and family centred services that meet the needs of all children and young people;

- Promoting continuous improvement by ensuring effective performance management and review

### 3.13.2 **Links to Local Area Agreement and Council Improvement Plan**

The directorate has lead responsibility for delivering the Council's corporate priority 6 – Children and Young People – to create a place where every child and young person thrives, is safe and happy.

## 3.14 **Regeneration & Development**

### 3.14.1 **Main Responsibilities**

- The promotion of social, economic and environmental regeneration schemes in partnership with local communities
- Promote competitive and modern local businesses and improve the vitality of towns
- Support local partnerships and create an environment which affords the community opportunities to develop
- Provide for the safe movement of all road users and reduce road accidents
- Corporate responsibility for Asset Management
- To ensure that the built environment is of good quality, healthy, safe and accessible

### 3.14.2 **Links to Local Area Agreement and Council Improvement Plan**

The Regeneration and Development Directorate has lead responsibility for the actions and targets associated with corporate priorities 1 and 2,

- Economy and Enterprise – to safeguard Calderdale's future and foster economic prosperity for all
- Environment – to improve the quality of our environment

The Directorate also contributes to the following other Corporate Priorities.

- Older people – to ensure that people stay in control of their own lives and play a full and active role in society
- Use of Resources

## 3.15 **Corporate Services**

### 3.15.1 **Main Responsibilities**

The overall aim of the Corporate Services Directorate is to provide a range of professional services supporting the functions of the Council and the other four Group Directorates and ensuring that the Council's corporate priorities are delivered in a timely, efficient and cost effective manner.

- A range of financial services both directly to the public and as a support service to the work of all other Council services
- A range of ICT services to elected members, all Council services and some Council partners

- A range of legal and administrative services to the public, elected Members and other Council services
- A range of personnel services contributing to the corporate management of all matters affecting the human resources of the Council

### 3.15.2 **Links to Local Area Agreement and Council Improvement Plan**

Corporate Services have lead responsibility for the actions and targets associated with corporate priority 7

- Use of Resources

The Directorate also contributes to the following other Corporate Priority

- Economy and Enterprise – to safeguard Calderdale’s future and foster economic prosperity for all

## 3.16 **Chief Executive’s Office**

### 3.16.1 **Main Responsibilities**

The Chief Executive is the Council’s principal policy adviser and its Head of Paid Service - a statutory role. The Chief Executive’s Office carries out specific strategic and corporate roles on behalf of the authority. It supports the Council and its Directorates where a Council-wide approach is necessary:

- Organisational leadership and change

Supporting both the political and managerial leadership of the Council; driving and co-ordinating the Council’s organisational change agenda; co-ordinating the Council’s work at a regional/sub regional level; supporting a range of strategic initiatives; and managing the Council’s improvement agenda.

- Performance improvement

Managing and co-ordinating the Council and its Partners performance management framework, strategic planning; driving improvements in equality and diversity; service performance and efficiency; and managing the Council’s main research, information and consultation activity.

- Community strategy and partnership

Supporting Calderdale Forward and its constituent partnerships; to deliver the Calderdale Futures Plan (our community strategy). Developing the Local Area Agreement (LAA) and supporting good practice in partnership working.

- Communications

To lead the Council’s development of internal and external communications, to increase resident’s satisfaction and positively raise the profile of the Council. Key responsibilities include the management of media relations and corporate reputation, production of key publications, other communication activities including digital TV, management of the Council’s corporate complaints system.

### 3.16.2 Links to Local Area Agreement and Council Improvement Plan

- To continually improve customer service. In some cases an active strategic role is linked directly to a particular Directorate's operational role. For example, the Office leads and co-ordinates the Council's work on customer relations/e-government, but in collaboration with service colleagues based in Directorates who have corresponding operational remits. An initial strategic part played by the office can lead to the subsequent transfer to the Directorate with this portfolio in due course.
- A key objective is that both Cabinet and Corporate Management Team, together and separately, are working as effective strategic and corporate teams in deciding, developing and communicating key policies and priorities to the organisation. This in turn leads to the delivery of quality services on the ground.
- The Office has lead responsibility for developing the Council's community leadership role, performance management, ensuring service improvement and ensuring that resources are used effectively and efficiently to meet Council priorities.

## The Medium Term Financial Strategy

### 3.17 Previously Agreed Financial Policy or Principles Guiding the MTFS

As shown diagrammatically on page 18 the financial strategy is a core element of the overall planning framework and is explicitly linked to the Council's Futures Plan, Local Area Agreement and Improvement Plan. It is based on the following key policy or principles which have been set out in previous MTFS documents. It is considered that these remain robust and relevant. This section however reviews, and where appropriate, updates these in light of current circumstances including the impact of changes in Government funding structures.

#### a) Priority Driven

The allocation of resources for both revenue and capital together with any efficiency and savings targets, when required, are based on the clear priorities that are agreed by the Council in its planning framework and in particular set out in the Futures Plan, LAA and CIP.

The process for allocation of resources to capital schemes linked to the Council's priorities is covered in more detail in the Council's Capital Strategy and Asset Management Plans which are updated annually.

#### b) Affordability

The central principle of council tax levels is that of affordability. The strategy is based on a target of containing any required Council tax rises to low single figure increases which should be no higher than 5% in any one year.

From a capital perspective, the requirements of the Prudential Code, ensures that all capital works funded outside of government capital allocations, capital receipts and other external funding are affordable. The Council's approach to any unsupported borrowing (that is where no Government revenue grant is given for debt charges) is to promote revenue budget neutral schemes. Prudential

indicators to manage this policy are now firmly embedded in the Council's procedures.

c) Sustainability

The strategy seeks to ensure that the budget is sustainable. This means that balances and reserves must not be used for long-term budget requirements. They may be used for one-off or short-term costs, but long-term increases in costs should be met by sustainable budgets and, where necessary, long term efficiencies.

The sustainability of the capital programme (and thereby the associated revenue budget) is further protected by only finally committing schemes which have been fully appraised based on known and clearly identified resources. In addition the ongoing sustainability of the revenue effects of additional capital investment funded by borrowing is a key requirement of the Prudential Code.

d) Levels of Balances and Reserves

Council has agreed that the minimum appropriate level for unallocated balances is currently £5m. The strategy aims to ensure balances and reserves are set at a prudent level to meet the likely risks and uncertainties facing the Council. An assessment of the major risks is made each year to review the appropriateness of minimum levels of balances.

e) Multi-Year Approach

Budgets should be developed with a medium term perspective to allow long-term developments to efficiencies to be planned and thereby minimise the level of stop/go changes linked to one-year approaches.

### **3.18 Implementation and review of previous strategy in setting the 2007/8 Budget**

It is considered that the guiding principles of the previous strategy were appropriate and achieved in full in the final Council budget for 2007/8.

The 2007/8 budget continued the major transition in budgetary and resource allocation which had begun in 2006/07. We were able to once again set a clear, longer term financial strategy (MTFS), the final year of a Central Government 2 year Revenue Support Grant (RSG) together with indicative levels and capping criteria provided planning stability, and the Council, for the first time, set a fully balanced three year budget within these criteria. The budget redistributed significant resources to priority areas, thereby meeting in full the 3 year growth plans of the MTFS.

It is considered also that the principles remain both robust and relevant. Their successful implementation in setting the Council's budget and capital plans have contributed to the very positive inspection assessment by the Council's auditors within the CPA process.

### 3.19 Conclusion

We have a robust strategy for balances and the budget did not rely on an unsustainable use of one off resources or balances.

This means that all the discussions in this paper are more strategic and now longer term and should be viewed in that context. This strategy assumes we will be looking at strategies for years ahead, that is into 2010/11. This will develop further the principle of multi year budgets aiming to cover the next three years.



# SECTION 4

## Resourcing the Plans

## Resources

### 4.1 Introduction and Overview of Section

This section provides the central evaluation and forecast of the Council's overall financial position.

The Council's underlying financial position is very positive.

The 2007/08 budget was based on a robust strategy for balances and assessed risks and does not rely on unsustainable use of one off resources or balances. We have used one off gains in earlier years to ensure the Council can now better sustain the risks that most neighbours face in relation to insurance and other claims.

This means that this update of the MTFs allows a more strategic and longer term perspective in budget planning terms. In particular it sets out approaches for 3 years ahead. This update also includes more detailed information in relation to capital planning which was previously covered in other documents.

### 4.2 Revenue budget planning - key resources issues estimates and assumptions

#### National Funding

As outlined above main grant funding announcements have yet to be made for 2008/9.

Detailed announcements of overall national resources, or indeed allocations to individual Councils including CMBC will not be made until after the outcome of the Comprehensive Spending Review which is due to be published in late 2007 (CSR 2007).

It is anticipated that previous changes to the way formula grant allocations are being made will remain, therefore allowing robust planning assumptions to be made; These changes have established a framework of minimum grant rises and the previous circumstance of major winners and losers resulting from changes in national formulae is now reduced by 'losers' being protected - and receiving a minimum (called floor) rise - by clawing back gains (called damping) from those who otherwise might have gained.

This process seriously disadvantaged Calderdale in that we receive some £2m per annum less grant than the formulae suggested. Only 13% of grant increase above the floor was possible in 2007/8. Despite our lobbying during consultation that any protection should not be at the expense of fair grant levels for Councils such as Calderdale, these forecasts assume that a similar grant regime will continue. That is, most Councils will receive similar levels of grant increase with limited differences between Councils from funding formulae.

A planning assumption of minimum (floor) increases of 2% (as applied for 2007/8) is used for this strategy. A more detailed risk assessment of the factors which might affect this are covered later in this section.

It is considered that there is no basis on which to assume a likelihood of significant above inflation increase in general grants to Councils. Early speculation of the outcome of CSR 2007 includes possibilities of even tighter settlements; this could become more likely in the event of, say, major changes in the national or international economic

situation. This update of the MTFS does not, however, advocate a more prudent or pessimistic approach in light of the Council's secure financial base and the longer term perspective that is being considered. This is, if announcements made from CSR 2007 affecting 2008/9 and beyond are materially different we will have the opportunity to reassess the position in 2008.

The majority of the Council's capital spend is financed by central Government and the current Capital Programme fully utilises all of the Council's future anticipated government funding updated as appropriate. Additional sources of funding from asset disposals, partnership arrangements and grant funding are continually being sought to maximise resources available to provide Council services.

### 4.3 Pay and Price Changes

This updated forecast continues to assume that Calderdale, in line with other Councils, will face many cost increases above general inflation.

This relates to a wide range of factors including

- further increases in fuel costs.
- assumed further annual increases in landfill taxes.
- the fact that the majority of direct or major contract costs are pay related which tend to rise above RPI.
- construction inflation increases above RPI .

The LGA is lobbying on behalf of Councils to central Government on this issue however there is no basis to assume funding changes will match these factors.

### 4.4 Realignment of Resources

The previous MTFS recognised the need for strategic planning to realign resources for

- Children Care Services
  - responding to the new Children Act as well as
  - protecting increasing numbers of vulnerable children within the looked after system.

Significant resources were re-allocated in 2006/7 and 2007/08 including elements which are being invested in new preventative services. This update of the MTFS assumes that these budgets will remain stable over the planning period based on latest information in relation to numbers of young people being protected. However there are pressures in this area and the position is being kept under review.

The other major financial issues identified in the previous MTFS are, however, considered likely to feature in all 3 years of the updated plan.

That is

- Protecting vulnerable adults - in particular increasing numbers of adults with learning disabilities.
- Protecting the Environment - in particular reducing reliance on landfill and increasing recycling including ensuring the Council can meet it's obligations under the EU landfill directives.

- Maintaining the Council's Assets and a major Capital Programme. Annual provision is made for the revenue impact of new schemes (eg Shibden Hall) as well as contingencies for any impact of income losses from asset disposals (eg Broad Street).
- A reduction in the dividend anticipated from the use of the Yorkshire Purchasing Organisation.
- Other Improvement Priorities. A planning assumption is made for a contingency for growth in future years to support the achievement of further improvements. The MTFs also identifies below a process to ensure this is linked to savings released from cross council savings initiatives.

#### 4.5 Budget Scorecard

Budget Scorecards (first introduced in last years MTFs) have continued to be developed. This tool will continues to provide a number of benefits, in particular assisting management in

- identifying areas for efficiency review
- strengthening the integration of financial and non financial performance monitoring
- providing a wider basis for allocating efficiency targets which reflect a balance of priority, cost and performance indicators.





























































































This will be able to be continually updated in line with changes in local performance and national comparators. A snap shot position based on most up to date data is attached.

This shows, in traffic light format, each of the major budget planning units of the Council

For each planning unit, four indicators are provided.

- 1 Local Improvement Priority  
This is based on information derived from the Council Improvement Plan after consideration by the Council's Management Team and Cabinet Members. This is broadly in line with the previous MTFs however the priority attached to improving planning performance has been increased.
- 2 Unit Costs  
This is based on Audit Commission data produced for the Comprehensive Performance Assessment inspection. Data is placed in quartiles based on comparisons to Councils identified by that process as comparable. For some services there are no national published indicators. Conversely where there are a range of indicators an average has been assessed.
- 3 Performance Levels  
These have been based on National Best Value Performance Indicators, where available.
- 4 Customer Satisfaction Levels.  
These have been based on National Best Value Satisfaction Information, where available.
- 5 Composite Score  
Based on the above parameters a composite score can be calculated which assesses the latest information on the above factors.

As outlined above this scorecard can be continually updated, as latest local and national data is made available. A snap shot position is attached in the following table.

<b>Key</b>					
 High Priority					
 Upper Medium Priority					
 Lower Medium Priority					
 Low Priority					
	Local Improvement Priority	National Audit Commission Unit Cost	National BV Performance Indicator	National BV Satisfaction Indicator	Score Category
<b>Chief Executives Office</b>					
Chief Executives Office					
<b>Children and Young People's Services</b>					
Business Improvement					
Care Services					
Commissioning and Partnership Services					
Directorate Management Team					
Learning Services					
Young People and Family Support Services					
<b>Community Services</b>					
Community Engagement & Cohesion					
Housing					
Libraries and Information					
Museums & Arts					
Parks and Streetscene					
Safer Communities					
Sports					
<b>Corporate Services</b>					
Financial Services					
Information Technology					
Law and Administration					
HR and Change					
<b>Health and Social Care</b>					
Adult					
Environmental Protection					
Waste Management					
<b>Regeneration and Development</b>					
Building Consultancy					
Highways Car Parking and Footpaths					
Markets					
Planning Policy & Development Control					
Regeneration					

\* For some categories there are no nationally published indicators. Conversely where there are a range of indicators an average has been assessed.

## 4.6 Improvement Priorities

This budget strategy has, in previous years, been a valuable feature for strategic budgeting. It has allowed key cross Council issues to be addressed beyond the resources which are available from efficiency savings within an individual directorate.

This has been used to release resources in particular to support e-government and the Council's IT strategy; customer first initiatives; HR strategy and asset management planning.

## 4.7 Other Cost Pressures Required To Be Contained Within Directorate Resources

The MTFs recognises that all directorates will face a range of service specific issues within individual services. The MTFs does not make specific central provision for any issues other than those identified above. These will be required to be contained and addressed by utilising internal efficiency savings which will release officer time or other resources. The main range of issues within this category is shown in the summary forecast below.

## 4.8 Ring Fenced Funding Regimes and Funding for Schools

Some services are, in effect, directly funded by central government via ring fenced grants.

The Government has signalled an intention to reduce ring fenced funding in order to increase autonomy and discretion to local councils. This category of spend has, however, increased substantially due to the major change in funding for schools under the Dedicated Schools Grant (DSG) arrangements. In addition some grants which were previously ring fenced are now included in the Local Area Agreement which gives the Council and the LSP greater flexibility.

The budget strategy assumes that any such Council budgets will move in line with government ring fenced grant levels and that the Council will not allocate additional resources. While the option to increase budgets theoretically exists, there are no options to release resources by spending below grant levels.

Final spending levels will therefore be set by Government when the relevant grant announcements are made throughout the plan period.

For DSG it is likely that Government will continue to allocate above inflation increases in resources over the plan period. Assuming recent trends continue beyond CSR 2007 this would potentially involve 5-6% annual increases in overall resources. The actual impact on individual schools will depend on a range of factors including changes in pupil numbers.

Other ring fenced grant areas, eg Supporting People, are unlikely to receive above general inflation increases based on national requirements for efficiency savings. Indirectly they will therefore face similar efficiency targets to other parts of the Council as outlined in the strategy.

In relation to capital, the Council has also actively given priority to the Schools, Highways and Housing areas backed by the allocation of capital funding broadly in line

with Government capital allocations, with remaining resources targeted at schemes which meet corporate priorities.

#### **4.9 Partnership Funding**

This MTFS concentrates primarily on the resources that the Council will need to contribute towards achieving the Council and its partners joint plans. This partnership approach, particularly in the context of the LAA, will allow additional resources levered in and combined to meet shared priorities. For example, the Council now receives £4.6m under the LAA and the Government has made available £936,000 to the Council as Pump Priming Grant to help deliver performance targets within the LAA. Some of these resources will be made available to our partners as the main agents in delivering those targets. The partnership will be able to access Performance Reward Grant for re-investment in services if these targets are achieved. There are many other examples of partnership working and resources sharing across the Council which are identified in individual Directorate or Service Plans (eg the Children and Young People's Plan).

#### **4.10 Efficiency Savings To Ensure Affordable Council Tax Levels**

The Council will continue to seek and generate efficiency and other savings from all services to ensure the impact of the above issues do not lead to high levels of Council Tax increases. This is in line with long standing good practice within CMBC and is consistent with the efficiency targets now being formally reported to Central Government as part of the 'Gershon' agenda.

It is anticipated that across the Council cashable efficiency and other savings of around £2m per annum will be required over the plan period. These will be reinvested in the planned growth identified above.

In addition services will seek further efficiency savings to develop and improve services within their overall delegated budgets.

Capital investment benefits from the procurement best practice in use at Calderdale including good governance arrangements, use of in-house & external teams as well as making use of I.T. systems and economies of scale generated by partnership working.

#### **4.11 An updated approach to identifying savings options and setting efficiency targets for directorates.**

In line with previous years, efficiency savings will be sought from all areas however this is updated for the next planning period as follows:

Savings to fund key priorities and reallocation of resources will be from a range of initiatives as follows:

- Cross Council Initiatives

To ensure funding for an improvement priority contingency in later years a programme of cross council reviews will be developed. Resources will only be released when cashable savings have been generated and relevant budgets reduced.

- Procurement Savings

Budgets for general supplies and services (not major, long term contracts) will be frozen for the period of the plan. Spend will be required to be contained within set budget limits by general procurement efficiencies.

- Reduction in sickness absences

A key priority will be to ensure reductions in sickness absences. It is recognised that in many cases that this will not directly reduce costs rather than offer increases in quality and quantity of staff input. However a prudent 0.5% per annum target reduction in overall real employee costs has been given to all directorates for 2008/09 to 2009/10.

- Other Efficiency Targets

Directorates will seek to identify further savings to fund the aspirations of the Corporate Plan and estimated requirements identified on this MTFS. To strengthen the Council's approach to continual review and value for money, a budget scorecard approach is being implemented where all budget planning units will be critically reviewed with regard to the following:

- Local Improvement Priority
- National Unit Cost Comparisons
- National Performance Indicators
- National Satisfaction Indicators

#### 4.12 Risk

The council has a very strong risk management framework in place. The core of this framework is set out in the corporate risk management strategy and corporate risk register. Further details are available in this Section under Sources of Additional Information.

In addition to the corporate register, each directorate has it's own operational risk register which integrates with the relevant directorate performance management strategy, improvement plans and budgets.

The integration of risk, performance and budgets ensures that the council can respond positively to mitigate the potential impact of perceived risks.

#### 4.12.1 Risk and Balances

The key financial risks, together with the main processes to mitigate and contain any financial implications is summarised in the Table below.

#### **KEY BUDGET RISKS AND MITIGATION STRATEGIES**

<b>Issue</b>	<b>Unadjusted Risk Assessment</b>	<b>Budget Impact £m</b>	<b>Financial/Management Strategy</b>	<b>Net Risk</b>
(a)	(b)	(c)	(d)	(e)
RSG/grants Uncertainty	High/Med	Up to £3-4m	a) General approach to Balances/reserves b) Assume Government use floors and damping c) Potential Collection Fund surplus in future years d) longer term budgets to spread risks	Med/Low
Failure to address long term issues at Budget Council	High	Up to £3-4m	Clarity of MTFS and consensus across political group within Council around principles.	Low
Unmanaged trend overspends and delays in achieving agreed savings	Medium	£2-3m	Targeted monitoring Star Chamber processes to ensure issues do not remain unresolved. Ensure key issues, eg Social Care Demographics are included in MTFS and subsequent budgets.	Low
Failure to achieve cost neutral exit strategies from SRB etc	Low	£0 – 1m	Clear policy and monitoring	Low
Landfill Tax and EU Landfill Directive	Medium	£0 – 1m (in initial years)	Monitor and ensure specific provision made for these items	Low
General Pay/ Price Inflation	Low	£0 – 1m	Monitoring/general balances	Low
Other price inflation	Medium	£3-4 m	Ensure provision made for major issues - currently identified as pensions, residential nursing homes and fuel costs. Detailed review to be undertaken of long term contracts due for re-tendering within the plan period	Low
Litigation – (equal pay)	High	Under review	Contribution to earmarked reserves using one off gains	Med
Loss of Income including sudden changes in local or national economy	Low	£0 – 1m	Ongoing Monitoring	Low
Uninsured backdated claims	Medium	£2 –3m	Contribution to earmarked reserves	Low
Any other unforeseen events	Medium	£1 - 5m	Retention of minimum balances at £5m	Low

The risks categories remain broadly the same as in 2006. The main change relates to equal pay where a significant proportion of the outstanding claims have now been settled. The potential exposure of the Council on this issue has therefore reduced to a medium risk.

- Grants. The overall system is more stable however this is offset by the impact of the outcome of CSR and the replacement for the current “Gershon” efficiency target regime not being known until late 2007.
- Pay and price inflation. This risk is perhaps higher with major uncertainty about fuel prices and possible impact on the economy; the previous 3 year pay award has now expired and is currently being re-negotiated. Government has signalled a robust approach in relation to public sector pay restraint. The impact of single status and job evaluation remains uncertain, but provision has been made for the anticipated impact.
- EU Landfill Directive / Landfill Allowance Trading. This remains a major uncertainty and is now likely to impact within the plan period. The validity of the estimates will need to be updated throughout the plan period.
- Insurance and Other Claims. This remains a major issue facing all public bodies. The previously agreed strategy of utilising one off budget gains to set aside earmarked resources provides the Council with a more robust base capable of dealing with known risks and claims however there remains significant uncertainty around such issues not least backdated claims relating to some years where the Council's external underwriter is in liquidation.
- The medium term forecast includes a range of significant risks / uncertainties. Specific mitigating actions/provision can be made for these. It is however concluded that there will inevitably remain significant financial risks, in particular those associated with litigation (including backdated claims against the Council for years where the Council insurer is in liquidation) plus the inbuilt uncertainty about Central Government Funding. Against this background it is considered that the Council must retain its strategy and maintain unallocated balances of at least £5m to ensure that it can deal with such risks in a managed way if they arise. The potential impact of changes in the risks is considered in the sensitivity analysis of the baseline projections within the MTFS.

#### 4.13 SENSITIVITY ANALYSIS

Sensitivity of major items within the plan are measured as in the table below

	Assumed in Forecast	1% Change in Assumption £m	% Increase in Council Tax
<b>Funding</b>			
Revenue Support Grant	2.50%	0.703	0.90%
Council Tax Income			
% increase	4.80%	0.745	
Change in Council Tax Base	0	0.745	
<b>Council Expenditure/Income</b>			
Inflation			
Pay	2.50%	0.905	1.20%
Prices - Supplies and Services	0%	0.151	0.20%
Prices - non Supplies and Services	2.50%	0.302	0.40%
Traded Services	2.50%	0.128	0.17%
Discretionary Income	2.50%	0.145	0.19%
Additional Spending Pressures (say £1m)		1.000	1.34%
<b>Total Sensitivities (£m)</b>		4.824	

The table above suggests that if a more pessimistic view of some of the main risks identified were taken, then the risk could be covered by the Council's minimum level of balances. While potentially these risks may vary by more than the 1% illustrated, it is unlikely that they will all arise simultaneously. The minimum level of balances is, therefore, considered to be sufficient to meet any unexpected changes in the MTFS assumptions.

## **ENSURING VALUE FOR MONEY AND RELEASING RESOURCES NEEDED TO ADDRESS CORPORATE PLAN REQUIREMENTS**

### **4.14 Overview of Section**

This section outlines the approach which is used across the council to ensure priorities can be funded and how this links into the wider efficiency targets monitored by the Government under the 'Gershon' agenda which currently requires annual efficiency saving of 2.5% each year.

To ensure the priorities and improvements set out in the Council's plans can be achieved within limited resources, the need to improve value for money will continue.

The Gershon Review requirements has to a large extent formalised the well-established approaches to continuous improvement and seeking of efficiencies already undertaken in Calderdale Council. This track record led to the Council achieving an above average score for value for money in the recent CPA inspection process. The process and decisions behind the budget outlined in this document ensure we are well on track for identifying the efficiency gains to enable us to meet our targets under this central government regime. This additional reporting framework highlighted the excellent work that is already carried out both centrally and in the Directorates and which is formally reported in our findings to the Department for Communities and Local Government as set out below.

### **4.15 Ensuring Value for Money within CMBC**

Calderdale Council continues to deliver annual efficiency gains of 2.5% or more each year - efficiency is part of the culture. For many years the Council has sought efficiencies and service improvements across its whole spectrum of service provision in order that the savings identified can be re-invested in front-line service delivery of the key corporate priorities.

The cornerstone of this strategy is the Council's Medium Term Financial Strategy. This strategy, which is updated at least once per year, identifies the resource requirements and likely resource availability to deliver the Council's prioritised budget over each of the next three years. To address any shortfall, efficiency targets are set for each of the Council's five portfolio areas (Community Services, Health and Social Care, Regeneration and Development, Children and Young People and Corporate Services).

A range of options is subsequently produced to meet the targets. Each option is subject to detailed scrutiny by Members and Officers to test its validity in terms of being deliverable and its impact, if any, on service users. Through this process Members take ownership of the efficiency agenda and monitor its implementation through a regular series of budget monitoring reports to Cabinet and each Scrutiny Panel.

By considering a time span greater than one year the Council is able to take a longer term view of efficiency gains. As a result of this the Council has already identified efficiencies of £12.265m against a 3 year target of £11.578m.

The Council has recently extended the role of the Improvement Support Forum (a cross service group of officers chaired by the Deputy Chief Executive) to cover Value for Money. This should ensure that the Council adopts a rigorous and consistent approach to improving VFM.

The Council identifies the following areas for funding priority growth:

- Corporate Cross cutting efficiencies
- Directorate efficiencies
- Increased income
- Sickness Strategies
- Procurement efficiencies

These areas flow into the Gershon efficiency agenda. The Gershon efficiency reporting framework (to Central Government) requires that efficiencies are reported by individual workstreams and a number of crosscutting efficiency areas.

The table below illustrates how the Councils saving areas fit into the Gershon efficiency work streams.

Gershon Area	Budget Process
Adult Social Services	Directorate efficiencies
Children's Services	Directorate efficiencies
Culture and Sport	Directorate efficiencies
Environmental Services	Directorate efficiencies
Local Transport(Highways)	Directorate efficiencies
Local Transport(Non Highways)	Directorate efficiencies
Non Schools Educational Services	Directorate efficiencies
Supporting People	Directorate efficiencies
Homelessness	Directorate efficiencies
Other cross-cutting efficiencies not covered above	Corporate Cross cutting efficiencies
Corporate Services	Directorate efficiencies/ Corporate Cross cutting efficiencies
Procurement - Goods and Services	Procurement efficiencies
Procurement - Construction	Procurement efficiencies
Productive Time	Sickness Strategies
Transactions	Directorate efficiencies / Corporate Cross cutting efficiencies
Miscellaneous efficiencies	Sickness Strategies

Although it is the cornerstone, the Medium Term Financial Strategy is only part of the process for delivering efficiency gains. Amongst the many other strategies in place are:

- Outsourcing

The Council has a healthy mixed economy of service provision. It has transferred its housing stock to a local housing association and has contracts with the private sector for a range of services including elderly residential homes and waste collection. It is currently seeking external partners to develop its Leisure Services.

- Best Value Reviews

The Council has undertaken Best Value Reviews of many services. Efficiency gains have already been achieved in corporate services such as Payroll, Payments and Legal whilst a further review of the Transport service and contract identified £100k additional gains over the next 2 years. A review of the Community Library service has also recently been completed.

- Property Rationalisation

The Council is in the midst of a major programme of property rationalisation which is designed to result in the Council owning fewer buildings but maintained to a higher standard. Substantial capital receipts have been obtained from this process and these have been used to reinvest in new capital schemes and to reduce the borrowing costs of the Council.

- Procurement

The Council not only has an effective in-house Procurement Service supplemented by membership of a major purchasing consortium but is also working with the Regional Centre of Excellence to seek further savings in the coming years. Efficiency gains through e-procurement, collaborative opportunities and procurement best practice continue to be sought.

- IT/E-Government

Supported in part by grants from ODPM, the Council has invested significantly in the delivery of IT and E-Government solutions. Whilst some savings have already been achieved and new and improved customer services delivered such as e-payments and on-line planning applications, further significant efficiency gains are anticipated through future developments and partnership working across the West Yorkshire region in conjunction with the Regional Centre of Excellence.

- Productivity

The Council's active management of sickness absence produces significant productivity gains each year.

- Capital

The Council spends upwards of £30m pa on capital investment in the Borough funded from Government Grant, borrowings, capital receipts and alternative sources of finance. An integrated Treasury Management System is in place to maximise the use of all resources available to the Council to finance its ambitions. More details can be found in this Section but briefly this involves use of balances, cash flow management, debt maturity profiles, Prudential indicators and efficient use of market investments and loan instruments.

- Partnership Working

After extensive negotiation with major partners, and Cabinet approval in January 2007, Calderdale's Local Area Agreement was formally signed by Minister for Local Government and Community Cohesion Phil Woolas MP on 29<sup>th</sup> March 2007.

In parallel with these negotiations Calderdale Forward partners have been working together to develop the partnership structure required to ensure successful implementation of the LAA.

#### 4.15.1 The Links between Capital, Treasury Management and The Revenue Budget

The MTFS provides the basis for all budget forecasts and annual budget planning and provides the link between the top level Corporate Plans and Service Improvement Plans. These plans describe the main actions each Directorate and Service will take over the next three years to achieve the corporate priorities and objectives.

The two key capital plans of the Council are the Capital Strategy and Corporate Asset Management Plan. These are developed in parallel with significant cross-referencing and form the basis of the Capital Programme. For example significant resources have been allocated for asset management and additional capital resources generated from the disposals regime are managed through the Council's corporate Investment Plan process. The capital element of the MTFS in turn flows from the Capital Programme.

A detailed daily cash flow system is in place at the Council for the next 3 years which balances back to the Medium Term Financial Strategy. This utilises both the day to day flows of cash as well as the innovative model devised to forecast the impact on cash of the Council's underlying reserves and balances such as debtors/creditors, capital receipts and contingencies to forecast and monitor the availability of balances for investment and reduction of borrowings.

Decisions are taken and recorded on a daily basis using this cash flow and is monitored and revised throughout the year as changes occur following capital monitors.

The MTFS and capital strategy/monitoring system set the longer term financial needs of the Authority. The Council has a debt maturity profile in place (controlled within the parameters of the relevant debt maturity structure prudential indicator) which shows cash flows extending as far as 50 years into the future. It is used to avoid the need to replace concentrations of maturing debt in times of high or uncertain interest rates. This is used every time a long term treasury management decision needs to be made.

Finally, the revenue effects of all capital schemes are built into the MTFS initially as a contingency for the longer term as final decisions/details may only be in broad outline. As more precise details become known exact requirements are dealt with as part of the Investment Plan process and built into future plans if appropriate.

#### 4.15.2 The Three Year Forecast

The next page shows the current best estimate of the budget forecast for the period 2008/09 to 2010/11 and highlights the extent of savings which will be required across the Council in each of those years.

### 3 YEAR BUDGET FORECAST 2008/09 TO 2010/11

	2008/9 £m	2009/10 £m	2010/11 £m
<b>Funding Forecast</b>			
RSG/NNDR - Formula Grant (2008/09 inc 2%)	71.7	73.1	74.6
CT Income ( 4.8% indicative annual rise)	78.0	81.8	85.7
Collection Fund Surplus	0.4	0.4	0.4
<b>Revised Forecast Funding</b>	<b>150.1</b>	<b>155.3</b>	<b>160.7</b>

<b>Forecast</b>			
<b>Budget Agreed Budget Council March 07</b>	150.3	155.9	156.2
<u>Pay and Prices</u>			
General Provision Pay/Prices			5.0
Landfill Tax	0.3	0.6	1.2
Recycling	0.0	0.0	0.5
Reduced YPO Surplus	0.2	0.2	0.2
	0.5	0.8	6.9
<u>Impact of Capital Programme</u>			
Supported Borrowing			0.4
Disposal of Assets/Revenue cost of Capital			0.2
	0.0	0.0	0.6
<u>Other Growth/Realignment</u>			
Social Services Demographics			0.5
Landfill allowance Trading Scheme		0.3	0.3
Improvement Priority Contingency			0.3
	0.0	0.3	1.1
<u>Other Issues required to be contained within existing budgets</u>			
Prudential Borrowing for Capital Schemes		0.0	0.0
Directorate Growth		0.0	0.0
Additional grant to offset effect of Landfil Directive		0.0	0.0
Increases/Decreases in ring fenced grants		0.0	0.0
Fallout of Time limited Funding		0.0	0.0
Changes in existing budgets re over/underspends/Reviews		0.0	0.0
Loss of Income		0.0	0.0
Achievement of Previous years savings/growth		0.0	0.0
	0.0	0.0	0.0
<b>Forecast Total Expenditure</b>	<b>150.8</b>	<b>157.0</b>	<b>164.7</b>

#### **Summary**

Forecast of Funding Available	-150.1	-155.3	-160.7
Forecast of Net Expenditure	150.8	157.0	164.7
<b>Forecast Surplus(-) / Deficit(+)</b> - for Traditional Standstill Budget	<b>0.7</b>	<b>1.6</b>	<b>4.0</b>

#### **Savings/Efficiency Measures for Future Years Implemented 2007/08 Budget Setting Process**

Inflation Freeze on Supplies and Services			-0.4
Cross Council Savings		-0.5	-0.5
Treasury Management	-0.7	-0.7	-0.7
<b>Budget Surplus(-) / Deficit (+) in Future Years</b>	<b>0.0</b>	<b>0.4</b>	<b>2.4</b>

The changes shown in the table above are in addition to those included within previous versions of the MTFS.

### 3 YEAR FORECAST OF BALANCES 2008/09 TO 2010/11

	£m
<b>2008/09</b>	
<b>Forecast Available Balances as At 1st April 2008</b>	<b>7.66</b>
transfer of LAGBI grant to Capital	-1.30
Contribution from Balances 2008/09 approved Budget Council March 2007	-0.03
<b>Forecast Available Balances as At 31st March 2009</b>	<b>6.33</b>
<b>2009/10</b>	
Contribution from Balances 2009/10 approved Budget Council March 2007	-0.10
<b>Forecast Available Balances as At 31st March 2010</b>	<b>6.23</b>
<b>2010/11</b>	
Contribution from Balances	0.00
<b>Forecast Available Balances as At 31st March 2011</b>	<b>6.23</b>

#### 4.16 Capital Programme Planning in Calderdale

The Council has developed a Capital Strategy which governs the resourcing and prioritising of capital expenditure. The following sections provide a summary of this information. More detail can be found within the Capital Strategy.

##### 4.16.1 Resource Maximisation

The Capital Strategy demonstrates how the Council's capital programme supports its corporate priorities. It sets the framework for developing the capital investment programme to deliver these priorities and is intrinsically linked with the medium term financial strategy of the Council.

The purpose of the Capital Strategy is to maximise the use of resources, to provide a clear framework for decisions relating to capital expenditure and to establish a corporate approach to generating capital resources.

The main sources of capital financing are: -

- Government-funded Borrowing and Grants
- Capital Receipts
- Unsupported Borrowing
- Alternative sources of finance

The majority of the Council's capital spend is financed by central Government and the current Capital Programme fully utilises all of the Council's future anticipated government funding. Funding to service the loans element of government funding is provided by central Government through the Revenue Support Grant.

The Council's policy is to pool capital receipts and invest in priorities. The Council's property policy is to rationalise the property portfolio and provide fewer buildings, which are maintained to a standard which is fit for purpose. The capital receipts generated from this process are directed to Council priorities through the Investment Plan (as detailed below).

The Council has a forward programme of Capital receipts covering surplus property, planning release of accommodation and development opportunities. Through a combination of Service Asset Management Plans and consideration of incentives to encourage Services to release surplus assets the Council is working hard to make the best use of its resources. The disposals process is managed by the Land Disposal Working Team. This is a cross service group including the Council's Planning, Legal, Engineering and Land and Property Services.

Additionally the Council now has the power to supplement this funding through prudential borrowing. As the Council has a prudent strategy of only borrowing when it is financially supported by Central Government (apart from when borrowing can be funded by other savings), increases in financing costs should be covered by increases in the capital element of Revenue Support Grant.

The Council is selective in the bids it makes for external funding by ensuring consistency with its corporate priorities and financial strategies. Nevertheless, the Council has been successful in obtaining funds across a variety of funding streams ranging from PFI for new build/refurbishment and facilities management for 5 schools, through regeneration funding via Yorkshire Forward, to DWP support for improvements to the benefits service and grant funding to support our e-government developments.

Calderdale collaborates with other West Yorkshire District to pool resources allocated from Central Government in response to integrated strategies. Examples are the Local Transport Plan, West Yorkshire Sub-Regional Investment Plan and West Yorkshire e-Government Strategy.

The Council also works in partnership to maximise value for money and return on capital, examples of this are working with Yorkshire Forward, Local Skills Council (LSC), Business Link, Primary Care Trust (PCT), Government Office, West Yorkshire Local Transport Group (WYLTP), Housing, PH2K, DCFS, DEFRA and Home Office. Ongoing development with partners to provide a joined up service to the community is well established in Calderdale. Examples include sharing accommodation with the Police and PCT to streamline services and costs.

The Council's ongoing SRB Partnership Action Halifax continues to support the corporate objectives and has been successful in leveraging in additional capital from European funds. The Council's capital programme includes for future joint funded projects in the current and future years.

#### 4.16.2 Prioritisation of Expenditure

Calderdale Council has actively given priority to the Schools, Highways and Housing areas backed by the allocation of capital funding broadly in line with the Government capital allocations.

The capital allocations are prioritised using well developed, well tested and transparent capital appraisal techniques, ie accordance with

- The Statement of Priorities for Schools
- The Local Transport Plan from Highways
- The Housing Investment Plan for Housing

Further details of these processes are given in the Capital Strategy.

Our strategic approach to resources also identifies and maximises the potential for a number of alternative funding streams including Prudential Borrowing, Invest to Save, PFI, Lottery, Trusts, Partnerships etc.

In partnership with developers the Council is working hard to promote economic regeneration in the Borough. Current flagship schemes include the Broad Street development (the transformation of an existing flat car park into a mixed use residential, leisure and retail area) and the Piece Hall Area Renaissance. Apart from earmarking land for re-development the Council acts as facilitator. Agreements are usually in the form of profit share for investment back into the Capital programme.

Apart from rare cases of urgent Health & Safety or fully-funded schemes, all other schemes requiring financing are assessed against each other. All property related schemes compete with other proposals for capital resources. This process encourages lateral thinking, a focus on smarter ways of working and alternative delivery methods of service and/or property. This is a key part of the property rationalisation strategy developed by the Corporate Property Rationalisation Working Group.

There are 3 key appraisal stages before schemes are approved into the capital programme. The appraisals ascertain whether schemes match the Council's priorities (at all levels); are technical feasible, and; the degree and type of risk involved (especially to stakeholders if schemes are not progressed). Financial/VFM issues are then considered to maximise the use of the Council's pool of resources by balancing priorities and costs.

Finally, there is a further detailed appraisal prior to the tendering process to scrutinise costs, risks, timetable issues etc. The information required for this final project appraisal stage is incorporated into the form so that schemes are tracked from inception through to final project approval. As forecasts of resources have been used up to this point, final approval to commit schemes is only given following confirmation that resources are available.

The process is subject to continuous refinement. The introduction of an initial sift stage has led to fewer schemes more reflective of priorities to be brought forward to the later stages of the process thus allowing resources to be targeted more effectively. A further improvement is the inclusion of a formalised additional options and whole life costing appraisal section for schemes in excess of £250k.

### **Prudential Indicators are Applied in Assessing the Affordability of Capital Projects**

The main objectives of the Prudential Code are to ensure that the capital investment plans of Local Authorities are affordable (acceptable Council Tax levels), prudent and sustainable (i.e. included in long term budget plans). To demonstrate that Local Authorities have fulfilled these objectives the Prudential Code requires that a number of indicators must be set by the Authority each year. Use of all of the Council's prudential indicators is embedded within processes. The ones relating to capital expenditure are considered below.

The Chief Finance Officer monitors against all forward looking indicators (i.e. estimates) and these forecasts are updated and reported on as appropriate within the current reporting and budgeting framework.

Limits are monitored constantly throughout the year and provide early warning of potential unaffordability. Where there is a danger the limits will be breached a report is brought to Members. The basic options available are to raise the limits already set or instigate management action to ensure that the current limits are not breached.

#### 4.16.3 Capital Projects and Estimates of Capital Expenditure

The estimated capital expenditure prudential indicators set the overall boundaries for the capital programme.

The principle that prudential borrowing will only be undertaken where it is funded either by savings or existing budgets has already been firmly established within the medium term financial plan and capital strategy. Any increase in this important indicator requires the identification of compensating funding.

Both capital expenditure and resources are monitored constantly throughout the year and formally reported to Members on four occasions. Any deviance from plans is managed to bring the programme back in balance to ensure that the forecast remains prudent and consistent with overall budget strategies.

#### 4.16.4 Capital Projects and Financing Costs to Net Revenue Stream

This indicator is intended to show the proportion of the Authority's resources that are used to finance capital assets based on the estimated levels of capital expenditure.

	2007/08 Estimate %	2008/09 Estimate %	2009/10 Estimate %	2010/11 Estimate %
Finance costs as a % of net revenue stream (excl DSG)	6.2	6.0	5.9	5.9

Cabinet (who agree all capital schemes) are made aware of the ratio of financing costs to net revenue stream to show that debt will be consuming roughly the same share of total resources and therefore affordable over the medium to long term. Calderdale's ratio is stable reflecting our prudent approach to financial management.

#### 4.16.5 Capital Projects, Net Borrowing and the Capital Financing Requirement

The capital financing requirement includes all relevant capital expenditure already incurred and due to be incurred over the period and reflects the Authority's underlying need to borrow for capital purposes.

The capital financing requirement as at 31<sup>st</sup> March at the end of the following years is as follows:

2007/08 Estimate £m	2008/09 Estimate £m	2009/10 Estimate £m	2010/11 Estimate £m
140.9	145.1	148.9	152.6

Net borrowing except in the short term must only be for a capital purpose and not exceed the total of the capital financing requirement. Calderdale is well within this indicator. However as the MTFs assumes a level of balances (including the Capital

Financing Requirement) and reserves that the Council has at its disposal to provide its services, any significant change in these would impact on the level of resources (both supported and non-supported) that the Council would make available for capital projects. The Council has developed a model that attempts to anticipate and informs future years' MTFS in addition to regular monitoring that takes place.

#### 4.16.6 Capital Projects and the Operational Boundary/Authorised Limit for Debt

These limits are set with reference to the estimates of expenditure and cash flow forecasts inherent in the Capital Programme and MTFS.

	2007/08 £m	2008/09 £m	2009/10 £m	2010/11 £m
Total Operational Boundary	121	125	129	133
Total Authorised Limit	129	133	137	141

Long term debt levels around the operational boundary (i.e. expected borrowings) are affordable for Calderdale. Monitoring of these indicators provide early warning of either expenditure or resourcing issues which may need rectification and, potentially, changes to our capital plans.

#### 4.16.7 Capital Projects and the Impact of Prudential Borrowing on Council Tax

The Council's agreed strategy is to promote revenue budget neutral schemes (such as Invest to save, alternatively resourced or revenue generating schemes) and these decisions are made through two major processes - the Investment Plan and the setting of the annual revenue budget. Examples include re-instatement of land to provide additional car parking and re-configuration/relocation of Social Services Day services to the Upper Valley.

There a number of other major initiatives being considered including the delivery of the asset management plan which will utilise various sources of funding within the Council. The opportunity cost to the Council of the above expenditure does not alter whether capital receipts, borrowing, revenue budgets or a combination of these are used to finance the strategy.

The options identified were presented in terms of their different absolute impact on Council Tax. Council Tax implications are also articulated on the basis of increases in Council Tax. As a rule of thumb £0.5m of extra revenue spend is the equivalent of 1% on the Council Tax in Calderdale.

## CAPITAL PROGRAMME FORECAST 2007/08 TO 2010/11

Summary capital financing	2007/08 £m	2008/09 £m	2009/10 £m	2010/11 £m	Total £m
<b><u>Forecast Expenditure</u></b>					
<u>Schemes Fully Approved to Progress</u>					
Community Services	12.3	8.7	6.8	6.8	34.6
Corporate Services	0.1	-	-	-	0.1
Health & Social Care	0.8	-	-	-	0.8
Regeneration and Development	11.2	8.6	8.5	6.8	35.1
Children & Young People's Services	11.0	7.3	7.1	7.2	32.6
<u>Schemes Subject to Final Appraisal</u>					
Future Investment Plan Priorities					
<b>Forecast Capital Expenditure</b>	<b>35.4</b>	<b>24.6</b>	<b>22.4</b>	<b>20.8</b>	<b>103.2</b>
<b><u>Forecast Capital Finance</u></b>					
Earmarked Funding					
Grants and Contributions	21.1	12.4	11.0	10.7	55.2
Revenue and Reserves	-	-	-	-	0.0
Ringfenced / Prudential Borrowing **	1.1	0.1	-	-	1.2
Pooled Resources					
Borrowing - Passported	7.6	9.4	9.5	9.7	36.2
- Generally Available	0.1	0.2	0.1	0.2	0.6
Capital Receipts	-	-	-	-	0.0
<b>Total Finance Available</b>	<b>*29.9</b>	<b>22.1</b>	<b>20.6</b>	<b>20.6</b>	<b>93.2</b>
<b>Surplus / Deficit (-) of Finance Available</b>	<b>-5.5</b>	<b>-2.5</b>	<b>-1.8</b>	<b>-0.2</b>	<b>-10.0</b>

\* The earliest year shows the benefits of a number of partnership funding arrangements where the exact phasing is yet to be determined. In addition, further allocations, which are not known yet, will be included in future years as funding is agreed at a national level.

\*\* Prudential borrowing includes borrowing for Invest to Save schemes and other borrowing where the charges will be met from existing budgets. Unsupported borrowing for PSA's are also included here.

The table above is based on the latest reported figures for 2006/07. The forecast will be updated as part of the Capital Strategy.

# SECTION 5

## Performance Management

## 5.1 LAA Delivery Plan and Council Improvement Plan

In April 2006, the Council approved a new Corporate Plan for 2006-09. The 2006-09 Corporate Plan set out the Council's strategic objectives for improvement within each of its six corporate priorities. To measure performance against each strategic objective the plan identified 103 performance indicators in total, each with a target for improvement.

Quarterly reports monitoring progress against these targets are submitted to Cabinet and Scrutiny Panels. The fourth and final quarterly monitor assesses the overall progress that has been made during the course of the year.

The Quarterly progress report is split down into the six corporate priorities. Each corporate priority contains a commentary from the Lead Officer, a summary of performance and tables to show the performance of each indicator, with explanations and actions focusing on those indicators which have failed to achieve their target. An overall commentary summarises the position for the Council as a whole.

A traffic light system is used to compare three separate measures of performance against each performance indicator.

- Calderdale's performance is compared to the performance of other Council's by placing its performance within one of four national Performance Quartiles.
- Calderdale's actual performance is compared against predefined internal performance targets.
- A comparison of current year performance against previous year is made by use of a direction of travel indicators.

Scrutiny Panels first consider the position for their corporate priorities and provide any comments and recommendations to Cabinet, with overall responsibility to monitor performance against the Corporate Plan.

Whilst the Corporate Plan referred to above is to be replaced with a new Council Improvement Plan 2007-08, a traffic light system comparing actual performance with internal targets and national quartiles is to be retained along the lines of that referred to above.

## 5.2 MTFs and Service Plans

Performance management of the MTFs is carried out through monitoring of the revenue budget (over the 3 years), the capital program and financial health indicators as explained below.

The Revenue budget is monitored regularly throughout the year and reported to Cabinet on a quarterly basis. Reports from Directorates are also reported to the relevant Scrutiny Panel on a Quarterly basis. The corporate monitoring report details progress against the MTFs forecasts, over the 3 year planning period and including progress against planned savings and efficiencies.

A multi-disciplinary officer team called the Capital Programme Compliance Group (Capcog) was formally set up to deliver the Investment Plan system to promote schemes into the Council's Capital Programme in light of the current resource situation.

The Capital Programme itself (both expenditure and funding) is monitored regularly throughout the year. Four formal monitoring reports are submitted each year to Cabinet, with reports by Directorates to scrutiny panels similarly timetabled. Monitoring reports identify:- (i) any schemes which have significantly slipped expenditure profiles/completion dates, together with explanations for this, and (ii) any schemes forecast to overspend against budget by more than £20k, again with explanations/proposed courses of action.

Capital expenditure can only be approved by Council through Cabinet. Calderdale has additionally established a Member group called the Capital Programme Working Party to provide an interface between Cabinet and Officers. Its remit is to monitor all approved schemes in order to secure value for money and timely delivery, review the allocation of resources (both capital and revenue) used for the delivery of the Capital Programme and oversee the property disposal programme.

### **5.3 Performance Appraisal**

Staff learning and development needs are identified through the Council's performance appraisal scheme (PAS). At each PAS meeting an individual's contribution to their Directorate Improvement Plan (DIP) and their Service Improvement Plan (SIP) are identified with targets set for the coming period; this links the individual employee directly with Corporate Objectives.

Every employee is guaranteed the minimum of one annual appraisal meeting and one annual review meeting with some staff getting more than one review, as appropriate.

Learning and development needs identified through PAS are then prioritised against directorate priorities - identified through relevant DIP's and SIP's.

Decisions on learning and development are then communicated back to the individual or team. This ensures staff have the right skills and knowledge in order to assist the directorate in meeting its targets and ultimately the Council in achieving its objectives.



# SECTION 6

## Continuous Improvement

## 6.1 Continuous Improvement

Achieving performance improvement is essential in order to meet rising customer needs and expectations, deliver improved efficiency and ensure that the people of Calderdale have access to services that meet their needs and that these services are as good as those provided by other councils. Improving performance is also key to improving customer satisfaction and managing the reputation of the council.

Improvement cannot be simply achieved through developing strategies, plans, processes and monitoring systems. In order to achieve performance improvements, Calderdale will provide:

- A culture that focuses on understanding the customer and using this understanding to do things differently,
- Political and managerial leadership that demonstrates that performance matters,
- A working climate of action rather than prevarication, managing rather than avoiding risks,
- A focus on delivering value for money to our customers,
- Decision-making and action using accurate and timely information,
- A culture that celebrates success and recognises that sometimes we may get things wrong.

Calderdale therefore seeks to improve performance through a clear sense of purpose driven by customer needs and a commitment to acting on and delivering on priorities for improvement, underpinned by data quality that is an integral part of the Performance Improvement Strategy.

The Council's action plans have been developed with clear milestones, targets and performance measures to enable a clear focus on key areas for improvement and an ability to evidence extent of improvement and progress towards the achievement of agreed outcomes.

**The Council's planning framework is designed to bring together high level plans (such as the Local Area Agreement and Council Improvement Plan) and link them with service improvement plans.**

The Council aims to provide sustained service improvements for the customer by use of a continuous cycle of:

- Reviewing performance,
- Identifying plans and targets for improvement,
- Implementing plans,
- Monitoring the impact of actions on targets and
- Revisiting performance.

Cabinet, Scrutiny Panels and the Local Strategic Partnership formally monitor service delivery against target. The Council considers that constructive challenge is crucial at

each stage of the monitoring cycle to ensure that the monitoring adds value and impacts on performance.

The Council's Improvement Support Forum continues to develop as an internal intervention mechanism that challenges what the Council does and how it does them. An extended role for the ISF now sees it responsible for:

- Developing a common approach to measuring VFM and identifying priorities,
- Determining when investment or divestment should take place,
- Helping to build capacity in service areas to allow them to assess VFM themselves, and
- Use of the budget scorecard as part of continuous improvement to help determine priorities and to target where the ISF might focus its attention.

## **6.2 Procurement Strategy and Governance Arrangements**

The Council takes a pragmatic approach to the delivery of the Capital Programme using a mix of in-house teams and external consultants, together with traditional and partner's procurements of contractors. Directorates take the client role and appoint project officers for each scheme.

The Council has placed great emphasis on developing good procurement practice. Members have been heavily involved in the development and implementation of the procurement strategy and action plan via the Corporate Procurement Working Party supplemented by an officer based Procurement Corporate Support Group.

The Corporate Procurement Unit has also developed a Guidance Series for use across the Council. The market is encouraged by having access to the "Winning Council Business" document available on its website and by Contract awards and Invitation to Express Interest being published on Council Tenders e-tendering site. Our Contract Procedure rules are reviewed at least annually and these are placed on the Intranet for staff to access alongside the rest of the good procurement documentation.

The Council sees great benefit in working in partnership on procurement activities. The Council is a member of the Yorkshire Purchasing Organisation which is a consortium of local authorities and other organisations. Our Procurement Strategy incorporates the West Yorkshire IEG Partnership e-Procurement Strategy. The Council is an active participant in Regional Centre for Excellence and West Yorkshire Sub-Regional Group activities.



# SECTION 7

## Environmental Assessment

## 7.1 Environmental Assessment

Calderdale Council was one of 26 authorities selected to participate in the third phase of the Carbon Trust's Local Authority Carbon Management Programme. The Carbon Trust is a Government funded independent company launched in 2002 to help the implementation of energy efficiency in the business and public sectors as well as to encourage the development of a low carbon sector in the UK. The launch of phase three of the programme follows successful pilots that involved 40 local authorities, and to date has identified opportunities to make savings of £12.5 million in total.

Calderdale Council's Carbon Management Action Plan 2006 is the outcome of participating in the year long Local Authority Carbon Management Programme consulting with the Carbon Trust and Council staff.

The Council's Carbon Management Action plan covers the following areas of activity:

- Energy consumption in council buildings and schools,
- Energy consumption for street lighting,
- Water consumption in council buildings and schools,
- Waste generated by all council buildings and schools,
- Council business kilometres,
- Staff commuting kilometres,
- Fleet fuel usage,
- Procurement of goods for council use.

### Calderdale Council's corporate emissions profile - Baseline Year 2003/2004

Category	Annual CO2 (Tonnes)
Energy use schools	11,800
Energy use non-school buildings	8,515
Streetlighting	2,721
Water	82
Waste from schools	5,513
Waste from non-school buildings	6,467
Staff commuting kilometres	7,509
Staff business kilometres	612
Fleet fuel	2,514
<b>Total</b>	<b>45,733</b>

The Carbon Management Action Plan contains a vision to achieve a 15% reduction, on 2003 levels, of harmful emissions by 2015. This will be achieved through excellent management of its energy, transport, procurement and waste operations. The plan is a rolling programme over 10 years and new projects will be identified on an annual basis to meet the vision commencing in April 2006.

The Government promotes the implementation of recognised environmental management systems as a way of underpinning the commitment to continual improvement in performance. Such systems provide opportunities for securing internal efficiencies, costs savings and environmental performance as well as external recognition for those publicly committing to addressing their impact in this way. The reporting of performance as required under the Eco Management and Audit Scheme

(EMAS), provides another valuable and more transparent means of reinforcing the commitment to improved performance.

As well as reducing the Council’s carbon emissions this plan will help to realise significant operational efficiencies including energy and fuel savings in first year alone of over £70,000.

**Summary of the cost and carbon savings for actions identified in the first two years of the Carbon Management Action**



**7.2 Carbon Management Implementation Plan**

The Carbon Management Implementation Plan provides a summary of identified carbon reduction actions across the Council.

1. Energy Management in buildings

The Council was awarded the Energy Efficiency Accreditation Scheme in December 2003 by the National Energy Foundation now managed by the Carbon Trust. To maintain the accreditation the Council is required to maintain and develop its work within energy management. The Council faces a re-assessment every three years.

2. Street Lighting

Electricity used for street lighting is purchased from renewable sources. Energy efficiency factors are considered on all new lighting schemes. Such factors include installing taller lighting columns with high wattage to reduce the total number of columns required and choosing high reflective signs to replace illuminated ones.

3. Staff Travel

The creation and adoption of the Corporate Travel Plan promotes alternative modes of transport other than single occupancy car use. Other achievements

are the development of a car share scheme database, promotion of National Lift Share Day, Car Free Day, personalised journey planner on the intranet, improved secured cycle storage, and incentives to use public transport.

#### 4. Vehicle Fleet

Calderdale Council operates a fleet of approximately 190 vehicles and has recently switched over to a 5% blend of biodiesel.

#### 5. Waste

Through participating in the Local Authority Carbon Management Programme it has become evident that the Council's waste is the second highest source of carbon emissions after energy usage. The Council Action Plans include the development of an internal waste plan for council buildings for the reuse and recycling of computer IT equipment, mobile phones, furniture and fluorescent light tubes.

#### 6. Procurement

Calderdale's commitment to a sustainable approach to procurement has been strengthened in the current Procurement Policy and Strategy to reflect the growing importance of sustainable procurement in the public sector. The action plan includes a target to **'ensure that the Council and its suppliers share a commitment to sustainable procurement, and its contribution to sustainable development'**.

#### 7. Awareness raising and training

The success of the Carbon Management Action Plan relies heavily on the engagement of the Council's staff and Councillors. It is essential for them to understand the vital importance of carbon management and their role in assisting to reduce carbon emissions whilst carrying out council business.

#### 8. Schools

The Energy Management Unit has carried out similar amounts of work in schools in relation to energy conservation and efficiency measures as it has done within council buildings. Schools are connected to the Building Energy Management System (BEMS) allowing the Energy Manager to monitor energy use centrally.

#### 9. Corporate Management

Carbon management must be championed at a high level and this is reflected in the full integration of carbon management into the authorities Council Improvement Plan.

#### 10. Reporting and Evaluation

The Carbon Management Steering Group reports progress annually to the Corporate Action Team (CAT). Progress is also be reported to the Corporate Management Team and Departmental Management Teams as and when required.

# SECTION 8

## Additional Information

## Sources of Additional Information

### **Calderdale Futures Plan 2006-2016**

The Futures Plan is the first community strategy for Calderdale. Calderdale's community strategy, the highest level plan for the borough, focusing on improving Calderdale as a place to live, work and visit.

For further details please contact Alan Duncan - Principal Officer Community Strategy, 01422 392207.

The document is available on the Council's Website [www.calderdale.gov.uk](http://www.calderdale.gov.uk)

### **Local Area Agreement**

Sets out what the Council Plans to do in Partnership to achieve the Futures Plan.

For further details please contact Sue Bamford – Performance and Policy Manager, 01422 392202.

The document is available on the Council's Website [www.calderdale.gov.uk](http://www.calderdale.gov.uk)

### **Council Improvement Plan 2007-2008**

Sets out what the Council needs to do to achieve its corporate priorities. Includes our contribution to the Local Area Agreement.

For further details please contact Sue Bamford – Performance and Policy Manager, 01422 392202.

The document is available on the Council's Website [www.calderdale.gov.uk](http://www.calderdale.gov.uk)

### **Annual Financial Plan 2007-2008**

Provides an overview of Directorates and the Revenue and Capital plans for the coming year.

For further details please contact Andrew Morton - Revenue Budget Team Corporate Services, 01422 393527.

The document is available on the Council's Website [www.calderdale.gov.uk](http://www.calderdale.gov.uk)

### **Statement of Accounts 2006/07**

The Council's Statement of Accounts aim to give electors, those subject to locally levied taxes and charges, members of the Authority and other interested parties clear information about the Council's finances.

For further details please contact Alan Goodwin Head of Financial Accounting / Capital Corporate Services, 01422 393506.

The document is available on the Council's Website [www.calderdale.gov.uk](http://www.calderdale.gov.uk)

### **ICT Strategy 2006-2010**

Details how key objectives will be delivered between now and 2010 in order to facilitate real business transformation and better service delivery.

The document is available on the Council's Website [www.calderdale.gov.uk](http://www.calderdale.gov.uk)

### **Risk Management Strategy**

This is a key document in the Council's process for effective risk management.

For further details please contact Martin Blower Policy and Performance Manager, 01422 393287.

The document is available on the Council's Website [www.calderdale.gov.uk](http://www.calderdale.gov.uk)

### **Corporate Risk Register**

The Corporate Risk Register lists key risks faced by the Council and highlights the consequences and the strategy to proactively manage these risks.

For further details please contact Martin Blower Policy and Performance Manager, 01422 393287.

The document is available on the Council's Website [www.calderdale.gov.uk](http://www.calderdale.gov.uk)

### **Asset Management Plan 2005-2008**

The Asset Management Plan describes the work being undertaken and future work programme for CMBC in respect of Asset Management planning and property rationalisation.

For further details please contact Richard Makin - Land and Property Manager Regeneration and development, 01422 392065.

### **Capital Strategy 2005-2008**

The Capital Strategy sets the framework for developing the capital investment programme to deliver the Council's key priorities.

For further details please contact Richard Makin - Land and Property Manager Regeneration and development, 01422 392065.

### **West Yorkshire Local Transport Plan 2006-2011**

A 5 year Local Transport Plan for the development of integral local transport.

A link to the document is available on the Council's Website [www.calderdale.gov.uk](http://www.calderdale.gov.uk)

### **The Housing Strategy 2005-2010**

Housing Strategy sets out what the Council considers to be the key housing issues in the Borough and what it intends to do to address them.

Telephone 01422 392651 or 01422 392403 to request that a copy be posted to you. The document is available on the Council's Website [www.calderdale.gov.uk](http://www.calderdale.gov.uk)



Princess Buildings  
Halifax  
HX1 1TP  
Telephone: 01422 393505  
Fax: 01422 393533  
Email: [nigel.broadbent@calderdale.gov.uk](mailto:nigel.broadbent@calderdale.gov.uk)