



Medium Term Financial Strategy and Revenue Budget

2010/11 to 2012/13

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EXECUTIVE SUMMARY

Introduction

The Medium Term Financial Strategy (MTFS) takes a three-year perspective of the Council's financial position and is a key element within the overall strategic planning framework. This executive summary is intended to bring out the important points contained within the main document and highlights the major work that has been carried out on this year's update to make it a more focussed, useful planning tool.

Consulting with Stakeholders to Formulate Shared Objectives

Section 2 demonstrates how the Council is bringing together the needs and priorities of the Council's key stakeholders. Calderdale Primary Care Trust has been identified as a key partner going forward, and, through closer working, a greater understanding of their financial position and strategic objectives has been achieved this year to increase the potential for further integration and sharing of services in the future.

Public consultation has also been further strengthened with the introduction of Area and Ward Forums which give residents and other stakeholders the opportunity to influence the Council's financial plans.

Focusing on the Key Priorities and Transformational Themes

Section 3 details how the Council's planning framework helps focus on what the Council wants to do and how it is going to go about doing that. This year it benefits from the introduction of a more streamlined strategic planning process with 8 population outcomes which reflect stakeholder needs. These overarching themes drive the specific objectives that need to be financed as part of the Vision into Reality corporate change programme.

Identifying the Resources of the Council and its Partners

Section 4 provides a more structured and comprehensive approach to assessing what resources the Council is expecting to have at its disposal over the next 3 years to deliver its priorities.

The economic backdrop is a key theme identified in this year's MTFS as it is likely to have a major bearing on the Council's finances going forward. Increases in Government funding have been assumed to be nil from 2011/12 onwards and low Council Tax increases of a 2% per annum have also been assumed. A similar picture is emerging with the Council's other partners and an assessment of Calderdale PCT's medium term financial forecast has also been included in this year's MTFS.

The conclusion of this section is that the Council will have to work harder in the future to maximise resources through greater efficiencies, using other internally generated funding (e.g. prudential borrowing) and further integrate its service provision with its partners.

Diverting Resources to where they are Needed

Section 5 focuses on how the Council will direct its capital and revenue resources identified in Section 4 towards its priorities and other cost pressures. The table in section 5.3.6 on page 37 shows that taking into account all assumptions and factors (including expected resources) there will be a forecast revenue deficit of £3.2m and £9.4m in 2011/12 and 2012/13 respectively. These shortfalls will need to be dealt with through future budget processes. The effect of this forecast on Council balances has also been included and shows that, should these shortfalls be managed successfully, these balances will remain above minimum levels over the period of the MTFS.

Section 5 also includes some analysis of the extent to which the Council diverts resources to its priorities during the budget process using 2009/10 as an example. This incorporates budget growth and the re-allocation of efficiency savings.

With this forecast (like most others) there are clearly a number of different possible scenarios due to the number of permutations of the variables underpinning it. The sensitivity analysis at the end of this section is meant to be used as a flexible tool so that the user of the strategy can easily assess the impact of a range of changes to the key factors involved. A risk analysis has also been included to point out the potential parameters of any sensitivities.

Ensuring Value for Money through Efficiency Plans and Continuous Improvement

The Council is clear that in order to meet the requirements of its stakeholders a culture of Value for Money must be fostered. Value for Money has therefore been given a cross cutting role the Council's overall Vision into Reality ambition. A number of initiatives and processes are already embedded in the organisation and these are detailed in this section.

Improving the Council's Environmental Performance through Resource Management

The Council has introduced a new Environmental Management System which has nine priorities. These are: Atmospheric Emissions; Releases to Water; Waste Management; Land Contamination; Raw Materials; Energy; Biodiversity; Local Issues and Partnerships.

This section now links the use of the Council's resources to these outcomes via specific examples and shows how the Council's environmental performance is improving as a result.

Conclusion

The Council and its partners are facing a number of significant challenges and rising expectations over the coming three year period. This document quantifies the effects of these and provides a blueprint for how the Council will proactively manage its finances to deliver its service objectives.

SECTION 1

Introduction

1. 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 6th year that this long-term approach has been used and this update makes further improvements to the benefits and use of this planning tool.

This year's document builds upon last year's and demonstrates more fully the way in which Partners' finances are linked to the Council's as well as providing more information on how resources are linked to priorities.

At the time of publication, the level of Revenue Support Grant (RSG) is not known to the Council for the last two years of this new MTFS period as only 2010/11 was covered by the previous Comprehensive Spending Review. Although the public finances are under increasing pressure, indications are that RSG funding for 2010/11 will remain as previously announced. However, prudent assumptions have been made within this document in respect of the anticipated level of settlement in 2011/12 and 2012/13.

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
- A revised Gershon efficiencies target of 4% per annum which will need to be cashable.
- Local Authority input cost pressures will be above the Retail Price Index (RPI) due to a range of factors
- This updated MTFS identifies a need to plan additional provision in the Council's priority areas for:

- Protecting Vulnerable People, and particularly children in care
- 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.

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 and brings together in one place all of Calderdale's priorities.

- Section 4 Identification of Resources

This outlines the estimates of resources likely to be available to deliver the priorities outlined in Sections 2 and 3.

- Section 5 Prioritisation of Resources

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 2010/11 – 2012/13
- Overview of Capital estimates 2010/11 – 2012/13
- Estimate of balances 2010/11 – 2012/13

This section also highlights the main risks in the estimates contained within the MTFS and models some of the variables/assumptions that may affect the central forecast.

- Section 6 Performance Management and Ensuring Value for Money

The Council's strategies in relation to VFM and continuous improvement as well as its approach to measuring Corporate Performance are also contained within this section. Robust processes are in place to evidence how the Council's financial strategies have contributed to the achievement of its corporate objectives both against internal target setting and against national benchmarks.

- Section 7 Environmental Assessment

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

SECTION 2

Stakeholder Focus – Needs and Priorities

2. STAKEHOLDER FOCUS – NEEDS AND PRIORITIES

This part of the MTFs explains how the financial strategy takes into account the various needs and priorities of stakeholders such as central Government, the public, the Council's partners and its staff.

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.

2.2 Comprehensive Spending Review (CSR2007)

The Government's plans for expenditure on support to local authorities is initially set out in the Comprehensive Spending Reviews. The most recent Comprehensive Spending Review (CSR) was announced in 2007. The CSR (2007) covered the years 2008/09, 2009/10 and 2010/11 and the level of formula grant awarded to Calderdale has been incorporated within this MTFs. It is anticipated that the next Comprehensive Spending Review will not be until 2010.

2.3 Inflation in the Public Sector

In the most recent Budget Statement the Chancellor has indicated that inflation measured by CPI (Consumer Price Index) should stay within the target (2%) during 2009/10 and onwards.

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, government will feel under pressure, and rightly so, to increase its funding to local government.

2.4 Capping

The Local Government Minister has already taken action against those authorities which he believes have agreed excessive increases in their council taxes for 2009/10. For 2009/10 two police authorities (Surrey and Derbyshire) have been designated as setting excessive council tax increases and accordingly have been required to set new precepts.

2.5 Efficiency Requirements

In the 2009 budget the Chancellor indicated that the target for cashable efficiency savings would be increased to 4% for 2010/11 and this would give nationally an additional £5 billion a year from 2010/11 to reallocate to frontline services.

2.6 Revenue Support Grant and Other Major Grants

The 2007 Comprehensive Spending Review was announced in December 2007 followed by the provisional 3 year settlement covering 2008/09, 2009/10 and 2010/11. The Settlements for 2008/09 and 2009/10 were consistent with the Spending Review and despite the current economic climate it is understood that the Settlement for 2010/11 will be consistent with the last year of the Review.

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 3 year settlement the overall average per pupil revenue funding increase is 4.3% for 2010/11. The overall level of schools revenue funding is 5.3% for 2010/11. The actual impact on individual schools will depend on a range of factors including changes in pupil numbers.

Other Council Spend

There will continue to be some ring-fenced funded areas 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.

Several ring fenced funded areas were transferred into non ring fenced 'Area Based Grants' in 2008/09. The movement towards unrestricted Area Based Grants has continued and it is anticipated that the Supporting People grant will become an Area Based Grant in 2010/11.

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, it is a much smaller Formula Grant Allocation.

Assuming there is no further revision of the underlying formulae, Calderdale might benefit marginally as the damping effects 'wear out' (that is we get part of the gain held back from the new formula in previous years). Despite this, it is assumed in the main document that for budget planning for 2011/12 onwards there will be a 0% increase in Formula Grant.

Final RSG increases are set by complex formulae and in the previous rounds 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 2010/11 the minimum rise will be 1.5% with any grant increase above that being reduced by approximately 72% so that only 28% of any gain will be received. At the present time there is no information available to forecast future floors and ceilings, but it is not unreasonable to assume a negative floor and a ceiling of 0%.

The Government and indeed the other political parties have signalled their intent to reduce their support to local authorities in future years although this will not become clearer until the next Comprehensive Spending Review, assumed to be in 2010. For the purposes of this MTFS it is assumed that there will be no grant increase to local authorities for the 2011/12 and 2012/13 financial years.

The assumed increase in Formula Grants to Calderdale within this MTFS are therefore:

2010/11	2.0%
2011/12	nil
2012/13	nil

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. The Council is also vulnerable to significant changes in fuel and energy costs and whilst the Council is implementing measures to reduce its carbon footprint, recent and predicted changes in fuel prices have been reflected in the MTFS.

There are other increases in cost which local authorities have little control over, such as, the £8 per annum increase in landfill tax although the Council is taking steps to reduce significantly the amount of waste it has to send to landfill.

2.7 Overview

This MTFS sets the framework for detailed budget planning over the next three years to 2012/13. The forecasts of resources and cost pressures are likely to be robust in the short term (where we have public expenditure plans) 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 1st 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.

2.8 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
- the development of important services such as the new waste collection service
- the development of new facilities such as the swimming pools in Brighouse and Sowerby Bridge
- 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.

The Council has also agreed in 2009 an Access to Services Improvement Plan setting out how it intends to improve the ways in which the public and other people/bodies can access Council services.

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.

2.9 Area and Ward Forums

Public consultation was developed further within 2008 with the creation of four regional Area Forums which have the following roles and functions:

- advising Cabinet or Scrutiny Panels on matters of interest in their area
- playing a key part in the Council's consultation process on proposed service changes, quality standards, new facilities and service improvement reviews
- building partnerships at area level between the Council, other local public, private and voluntary sector organizations and the public, including Town and Parish Councils where relevant
- developing priorities for the area which can be reflected within the wider community planning and local area agreement process

The Area Forums were also used to extend the discussion on Calderdale's priorities with regards to the use of resources and to explain the basis of the consultation budget. After a year of operation the role of these Area Forums has been reviewed and extended.

The results of the recent Place Survey showed that many local residents would also like to be more involved in decisions that affect a more local area, and the Council could do more to demonstrate value for money and to improve people's satisfaction with the way it ran things.

Having considered the outcome of the review, quarterly local Ward Forums have been set up in each of the 17 electoral wards to fit in with the existing cycle of Neighbourhood

Policing Team Ward meetings. These will cover smaller geographical areas and have greater links with natural communities.

Ward Forums have the following main roles and functions:

- build partnerships at ward level between the Council, other local public, private and voluntary sector organisations, community groups, and the public, including Town and Parish Councils where relevant;
- develop priorities for the ward which can be reflected within the wider community planning and local area agreement process;
- enable local people to raise issues of local concern, and advise the Cabinet or Scrutiny Panels on matters of interest in their ward and report to Area Forums on a quarterly basis

Ward Councillors will serve on their local Ward Forum, with one to be elected by those Ward Councillors to act as Chair of the forum for each municipal year. A Head of Service will also be attached to each Ward Forum to promote the interests of the ward within Calderdale Council.

2.10 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 2012/13 as well as changes in external factors, in particular external government grant regimes.

Issues for Comment:-

Some of the issues that you may wish to comment on are listed below.

a) 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.

- In the current economic climate the Council has also prioritised its resources towards the local economy using the Economic Fighting Fund to support local businesses, stimulate economic growth and ensure that local people needing help and advice receive this.

Do you agree with these major resource proposals?

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

- b) 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 by no more than 2% annually which should ensure that the Council remains within any likely capping criteria set by central government. The current MTFs assumes a 2% council tax increase in each of the next three years and demonstrates the amount of efficiency savings which would be required in each year to achieve this.

Do you think this approach is appropriate?

- c) To ensure the Strategy can be funded without excessive rises in Council Tax there will be a continual review of 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?

2.11 Partnerships – Local Area Agreement

Calderdale's second Local Area Agreement 2008-2011 was negotiated by Calderdale Forward with Government Office, on behalf of Central Government, over the period August 2007 to March 2008. Cabinet approval was given on 9th June for the priorities and targets agreed with central government and LAA 2 was formally signed by the Secretary of State for Communities and Local Government on 1 July 2008.

In parallel with these negotiations on LAA2, Calderdale Forward partners have been working together to deliver LAA1 (2007/08) and to refine the partnership structure required to ensure successful implementation of the LAA. Progress has been made in a number of key areas:

- The development of Calderdale Forward's structure agreed in November 2007 which has included an extended Board membership; the establishment of a Delivery Group to oversee the delivery of the community strategy and the LAA; the introduction of a greater consistency of approach across the six delivery Partnerships - Economy and Enterprise, Environment, Safer and Stronger Communities, Healthier Communities, Older People and Children and Young People; the establishment of a successful Support Team funded from the LSP's pooled budget.
- The development of a partnership performance management framework for the LAA which has achieved wide ownership amongst partner agencies and provided elected Members and the LSP Board the facility to monitor progress in delivering the LAA
- Good progress was made in delivering LAA1 during 2007/08 with the year's results reported to Council Scrutiny Panels in July and August. Most of the indicators and targets in LAA 1 will no longer be monitored, although a number of the performance measures are similar to those that will be delivered as part of LAA2 (2008-2011). The 14 Reward Element performance measures and targets are continuing to be delivered and will be monitored until the end of March 2010. Overall performance for the 14 Reward Element measures and targets for 2007/08 was mixed but there is confidence that targets will be met by March 2010.
- The successful development of the LSP was acknowledged when Calderdale Forward won the Local Government Chronicle Local Strategic Partnership of the Year award in March 2008,
- In order to ensure successful delivery of its LAA2 targets the LSP is producing detailed delivery plans for each of its targets and is refining its joint performance management framework which is forward looking and focuses on actions to ensure future delivery of targets – a key requirement of the new Comprehensive Area Assessment from April 2009.

2.12 Key Partners' Objectives

NHS Calderdale has developed a set of 15 objectives in partnership with its stakeholders and staff that embody the delivery of their vision and values.

Best possible care:

1. Services commissioned and provided are safe.
2. We commission and provide services that meet the diverse needs of our population, when and where they are needed.
3. Services commissioned & provided deliver best practice and meet national performance standards.
4. We will proactively engage patients and the public to improve all our services.
5. We will offer choice in services and help users and carers make the right choice for them.
6. We will maintain access to essential services by working with our partners on a planned approach to emergency situations.

Promoting health and wellbeing:

7. The PCT, working with service providers and the public, will support individuals and families to make healthy choices.
8. We will work in partnership to improve the quality and life expectancy of the population of Calderdale.
9. We will work in partnership to reduce inequalities in health and improve the health and emotional well-being for the population of Calderdale.

Best value for all:

10. Services commissioned & provided will provide best value for patients using appropriate benchmarks for efficiency and effectiveness.
11. We will commission and provide sustainable services within the resources it has available.
12. We will use our resources to support services which enhance the local economy and protect the environment.

Organisation is fit for purpose:

13. We have an effective integrated governance framework to ensure best use of public money.
14. We have an information strategy and plan which supports the commissioning of local services including the delivery of the National Programme for Information Technology
15. We will be an employer of choice by supporting and developing our workforce and promoting the highest standards of business and professional conduct.

By understanding what our Partners overriding objectives are and how they operate a shared vision of the best way of sharing and targeting resources of resources can be formulated.

2.13 Staff Members

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.

The last survey took place in 2007 and subsequent to the publication of the survey's findings each directorate appointed a working party to address any issues raised within their own area. Directorate teams were supported by a corporate team that maintained an overview of any issues raised and made recommendations on policies and/or procedures that needed 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

3. EFFECTIVE PLANNING

The Council's planning framework helps focus on how we need to plan, do, monitor and review in order to deliver our ambition and eight population outcomes:

3.1 Population Outcomes

Our ambition for Calderdale

We want Calderdale to be a place where we value everyone being different and through our actions we demonstrate that everyone matters

Our population outcomes:

- Safeguard Calderdale's future and foster economic prosperity for all - **Economy & Enterprise**
- Improve the quality of our environment and promote respect for Calderdale's heritage - **Environment**
- Prosper as a place where people can feel safe and are encouraged to get involved in shaping their future - **Safer & Stronger Communities**
- Reduce the amount of preventable ill health across the population as a whole - **Healthier Communities**
- Ensure that people stay in control of their own lives and play a full and active role in society - **Older People**
- Flourish as a place where every child and young person thrives, is safe and happy - **Children & Young People**
- Work to ensure that the differences in health, quality of life and economic prosperity between different communities within Calderdale reduce rather than increase – **Narrowing the Gap**
- Ensure that resources are allocated and used efficiently and effectively to meet the Council's priorities - **Use of Resources**

This will be achieved through:

- Our corporate change programme – Vision into Reality
- Partner and council strategy implementation
- Directorate step change projects
- Continuous Improvement in core service delivery

There are three specific parts of the framework:

- Vision into Reality
- Directorate Strategic Overviews (DSOs)
- Service Improvement Plans (SIPs)

Underpinning this are council commitments from partner and Council strategies such as the Equality and Diversity Scheme, Older People Strategy and external regulatory requirements.

Vision into Reality sets out the portfolio of change programmes the Council is committed to deliver to achieve its ambition and population outcomes.

Directorate Strategic Overviews show the directorate contribution to Vision into Reality, partner and council strategy implementation, directorate step change projects and continuous service improvement in core service delivery in order to give an overview of the Directorate Delivery priorities. They are living documents which are reviewed and revised as required.

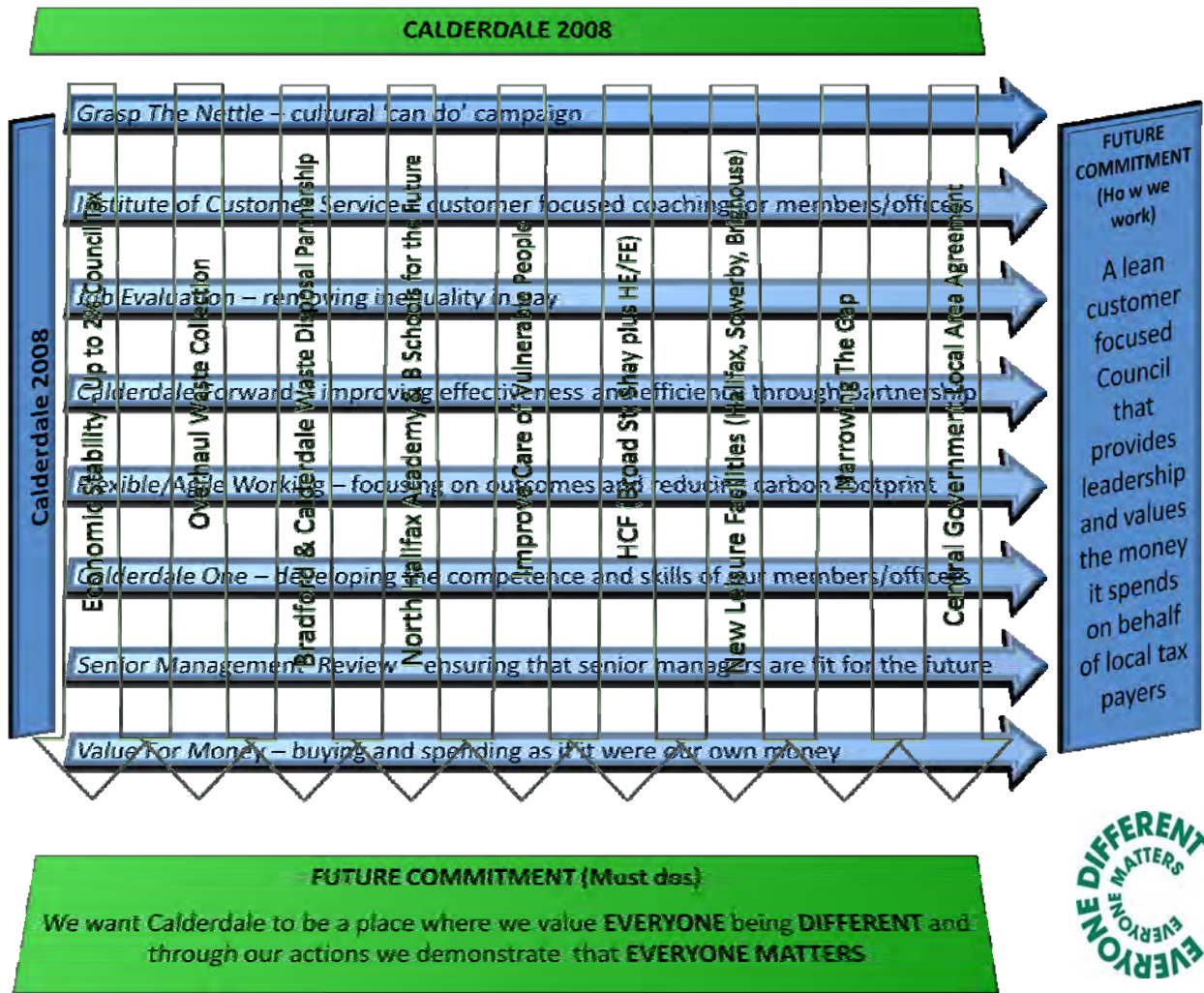
Service Improvement Plans show actions to deliver continuous improvement in core service delivery. They are living documents which are reviewed and revised as required. The framework is shown in the diagram below.



Where Team Plans are produced these will fit between Service Improvement Plans and individual key work objectives.

Those parts of the framework that will be delivered through programme management (Vision into Reality and directorate step change improvement) will follow a programme and project management approach using the Calderdale Way methodology.

3.2 Vision into Reality



3.3 Directorate Strategic Overviews

Directorate Strategic Overviews are designed to give an overview of overall delivery priorities and make the links to these programmes and projects but not replicate existing plans. Directorate Strategic Overviews will be presented using a standard template and must be based on an honest self assessment of how it is now (current reality) and how it will be (future possibility) and supported by challenge outside of the Directorate.

The starting point for the production of a Directorate Strategic Overview is a workshop at Directorate Management Team level involving directorate performance officers and corporate or other Directorate peer challenge.

Directorate Strategic Overviews include:

1. **The purpose of the directorate** – set out so that it is possible to see the connection between the directorate purpose, the Council’s ambition and population outcomes, Vision into Reality, meeting customer needs and working in partnership.
2. **How it is now (Current Reality)** – this gives a directorate understanding of the context in which it needs to deliver and its areas of strength and areas for improvement. This understanding should be based on knowledge about:
 - a. **Who our customers are and who is not accessing our services**
 - b. **The end to end customer experience (supported by consultation and engagement)**
 - c. **Value for money /efficiency issues (informed by the Audit Commission VFM profile, benchmarking, including use of the PWC benchmarking tool, and inspection reports)**
 - d. **Demographic changes/forecasts**
 - e. **Equality and Diversity, and where gaps need to be narrowed**
 - f. **Performance challenges / how our performance compares**
 - g. **External requirements (legislation, statutory guidance, inspection recommendations, etc)**
 - h. **Workforce issues (e.g. recruitment and retention of staff)**
 - i. **Economic impact**
 - j. **Environmental /sustainability issues**
 - k. **Partnership working**
 - l. **Medium / Long term budget issues - (in the short term delivery will be expected within current resources including any growth money)**
3. **How it will be (Future Possibility)** - the changes, improvement outcomes and objectives required to address issues identified in current reality and looking into the future. Outcomes need to support the future commitment of a lean, customer focused council that provides leadership and values the money it spends on behalf of local tax payers. This narrative needs to include:
 - a. **Improvement Outcomes (the end result we want to achieve)**
informed by Group Directors’ current key work objectives and informing future key work objectives
 - b. **Improvement Objectives (what improvement we want to see happen) to show what is planned to deliver each improvement outcome**
4. **Assessment of strategic risks against the directorate improvement objectives/outcomes not being achieved and how the risks will be managed.**
5. **The directorate’s priorities for delivery** – Some of these will be ‘givens’ and others can be ‘negotiable’ priorities. Givens are already agreed, negotiable will be agreed by Corporate Management Team when reviewing the Directorate Strategic Overview and the feasibility of delivering against all directorate priorities. This section will simply list (with links) relevant plans.

- a. Vision into Reality (given)
- b. Cross-cutting strategy implementation (given)
- c. Service projects (negotiable)
- d. Core Service delivery (negotiable)

6. Key Performance Indicators - this section will link to the directorate's key performance indicators

3.4 Ensuring Delivery: Reviewing Progress and Bringing DSOs Back on Track

At the end of each quarter Directorate Management Teams will review overall progress against their Directorate Delivery Priorities as set out in the Directorate Strategic Overview and identify whether Directorate commitments are likely to be achieved. Where this highlights areas of concern then DMTs may ask to see the underpinning performance information in order to take a more detailed look.

At the end of each six monthly period each Director will present Corporate Management Team with a review of overall progress against their Directorate Strategic Overview. Overall progress reports will be informed by programme and project progress reports, strategy implementation reports, Service Improvement Plan progress reports and reports against the national indicator sets. Overall progress reports will focus on where we are now and where we want to be, with an emphasis on solutions rather than backward looking justifications as to why something has not been done.

Progress will be challenged across the Council, based on the following key questions

- **What is going well?**
- **What is not going well?**
- **What corrective action are we taking to address any areas of concern?**
- **What cost savings, value for money gains and performance improvement is being achieved?**
- **Will future plans and targets be achieved?**
- **Will improvement outcomes be achieved?**
- **What may impact on future delivery?**
- **What (if any) support is required from partners and/or other services / directorates to address areas of concern?**

Where progress reports identify areas of performance concern and a change of activity is required, a menu of options will need to be considered including:

- Reviewing and revising the planned actions
- Learning from those who are best in class from benchmarking information, beacon council schemes etc
- Bringing in peer challenge from performance colleagues outside of the directorate
- Adopting a solutions centre approach to identify new ways of thinking and accelerate improvement
- Bringing in support from the Business Process Improvement Team.

3.5 Service Improvement Plans

Service Improvement Plans underpin directorate delivery of continuous improvement in core service delivery.

They focus on delivering the relevant improvement outcomes identified in the directorate strategic overview, but do not need to include improvements that are being delivered through one of the other three delivery strands (Vision into Reality, cross-cutting strategy implementation and service projects) as these will already have project or delivery plans in place. Service improvement plans should not include actions which maintain current service delivery except where the context has changed significantly. They are developed at 'service activity' level, e.g. libraries, museums and Victoria Theatre/Hebden Bridge Picture House. Service Improvement Plans need to be aligned to budget headings and agreed between the Group Director and the Deputy Chief Executive to ensure consistency.

All Service Improvement Plans need to identify actions required to deliver improvement against four agreed outcomes to give improved access to services, narrow the gap so that there is greater equality of life chances across the Borough, deliver better value for money and to minimise the impact on the environment. Equality and diversity issues, including issues identified from Equality Impact Assessments, will be addressed through the access to services and narrowing the gap improvement outcomes.

Required Improvement Outcomes

1. **Access to Services Outcome:** All customers/communities can access our services easily.
2. **Narrowing the Gap Outcome** –This outcome needs to be identified by services, focussing on where the service can contribute to one or more of the narrowing the gap outcomes below:
 - No longer a significant gap in life expectancy within the District
 - GCSE attainment levels no longer vary significantly across Calderdale
 - All adults in the District have basic literacy, numeracy and IT skills
 - All young people in education, employment or training
 - No-one in Calderdale is living in fuel poverty
 - Resident satisfaction levels are in line with the best in the country
 - No super output areas are in worst 5% in the country (as measured by the Index of Multiple Deprivation)
 - Residents' feelings of safety are in line with the best in the country
 - Crime rates no longer vary significantly between the areas with the highest crime rates and the Calderdale average
 - Unemployment rates between the most deprived communities and the Calderdale average no longer vary significantly.

3. **Value for Money Outcome – high levels of performance and customer satisfaction are achieved for the cost of the service.** This takes account of those services that may not be high priority (i.e. low cost) and therefore high performance and satisfaction is relative to the cost of the service.
4. **Environmental Outcome:** Impact on the environment is minimised. This outcome to be considered by all services and included where improvements can be made.

All services are required to identify improvements to the Access to Services and value for money outcomes and consider the Narrowing the Gap and Environmental Outcomes. Most services will be able to identify improvement objectives against all four outcomes. If a service cannot identify a contribution to the Narrowing the Gap and Environmental outcomes then this needs to be stated and why, but may be challenged.

Plans must also include evidence of how relevant national indicators and cashable efficiency gains will be delivered. Typically a service improvement plan should focus on around 6-8 improvement outcomes.

If services have been allocated budget growth, Service Improvement Plans must also include budget growth items as improvement objectives under an improvement outcome so that progress on improving outcomes against budget growth items can be tracked. Where budget growth items are linked to performance indicators these need to be included so that progress can be monitored. The only exception is if a budget growth item relates to a Vision into Reality, Service Project, or other strategic plan as progress will be monitored through these mechanisms.

If services received budget growth a hyperlink should be put in Service Improvement Plans to link to the relevant budget implementation plan. If a new delivery plan is required it should be included in a Service Improvement Plan as an improvement objective unless it relates to a Vision into Reality, Service Project, or other strategic plan. Where a budget growth item is linked to performance indicators these need to be included so that progress can be monitored.

Each Service Improvement Plan has a cover page with a simple service overview which sets out:

- Purpose
- Key projects the service is involved in
- Description of who customers are
- Key performance information
- Staff and financial information

Service Improvement Plans set out:

- 1. The service improvement** outcome (the end result we want to achieve) drawn from the Directorate Strategic Overview, key work objectives and the four agreed access to services, narrowing the gap, value for money and environmental outcomes.
- 2. The improvement objective** (what we want to see happen). Specific improvement objectives may be agreed corporately – e.g. access to services, drawn from Directorate Strategic Overviews or key work objectives.
- 3. Measures and Key performance indicators.** This should include measures which help show progress as well as national indicators.
- 4. Actions to achieve targets** – these need to be measurable actions, make it clear who is responsible and when they will be delivered.
- 5. Key actions or milestones** – any key steps along the way which if not achieved will impact on delivery.
- 6. Risks Identified and how they will be managed** – what will get in the way of achieving the improvement objective and what actions can be taken to mitigate this.
- 7. Performance baselines and targets** – to deliver continuous improvement.
- 8. Value for money** – what cashable and non-cashable efficiency gains are anticipated during the course of the year as a result of the delivery of the improvement objective.

Service improvement plans need to be agreed by Directorate Management Teams and will be reviewed corporately.

3.6 Ensuring Delivery: Reviewing Progress and Bringing SIPs Back on Track

Service Improvement Plans are presented in a standard template with Heads of Service responsible for ensuring progress and DMTs responsible for taking a quarterly overview of overall progress, which is reviewed corporately by the Corporate Improvement Group. Service Improvement Plan progress reports will focus on delivery against the relevant improvement outcomes and actions so progress will be reviewed at two levels, against the improvement outcome and against each improvement objective.

Progress will be challenged across the Council, based on the following Key questions

- **What is going well?**
- **What is not going so well?**
- **What corrective action are we taking to address any areas of concern?**
- **What cost savings, value for money gains and performance improvement is being achieved?**
- **Will future plans and targets be achieved?**
- **Will improvement outcomes be achieved?**
- **What may impact on future delivery?**
- **What (if any) support is required from partners and/or other services / directorates to address areas of concern?**

3.7 Summary

The Council has given clear priority to six key service areas; Economy & Enterprise, Environment, Safer & Stronger Communities, Healthier Communities, Older People and Children & Young People. A seventh theme of Narrowing the Gap cuts through these priorities and they are all supported by the Council's efficient Use of Resources.

There is a framework in place to deliver the Council's priorities. There are three specific parts of the framework:

- Vision into Reality
- Directorate Strategic Overviews
- Service Improvement Plans

Vision into Reality sets out the portfolio of change programmes the Council is committed to deliver to achieve its ambition and population outcomes. Vision into Reality effectively translates the Council's priority areas into specific outcomes that need to be delivered.

Directorate Strategic Overviews show each Directorates contribution to Vision into Reality, partner and council strategy implementation, Directorate step change projects and continuous service improvement in core service delivery in order to give an overview of the Directorate Delivery priorities.

Service Improvement Plans show actions to deliver continuous improvement in core service delivery. They are living documents which are reviewed and revised as required. The framework is shown in the diagram below.

Underpinning the above are council commitments from Partner and Council strategies such as the Equality and Diversity Scheme, Older People Strategy and external regulatory requirements.

The next section of the MTFs identifies what resources the Council and its Partners expect to have available over the next three years to deliver the needs and priorities of Calderdale's stakeholders.

SECTION 4

Resources Available to Deliver our Priorities

4. RESOURCES AVAILABLE TO DELIVER OUR PRIORITIES

4.1 Introduction and Overview of Section

This section provides the central evaluation and forecast of the Council's overall financing position, i.e. what resources the Council may have at its disposal to deliver services to its customers

The Council's underlying finances are positive. The 2009/10 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 also 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 the MTFS can concentrate on a more strategic, longer term perspective in budget planning terms. This update also includes detailed information in relation to capital resources which was previously covered in other documents.

Some of these variables are outside of the Council's control, the main one being formula grant which is determined by Central Government. Although Council Tax is under the Council's control (subject to capping rules) it is unlikely that significant increases would be acceptable in the present political and economic climate.

4.2 National Context/Economic Backdrop

Clearly, the Council's finances are influenced by a number of external economic factors such as inflation expectations, interest rates and economic growth. However, the key factor which will impact on the Council over the medium term is the availability of Central Government funding.

The Chancellor in his Budget Statement on 22nd April 2009 revised the Government's budget deficit and borrowing forecasts. The difference between the two being made up of investment in areas such as infrastructure and other long term assets.

	2010/11 £m	2011/12 £m	2012/13 £m
Budget Deficit	137	111	91
Capital Investment	<u>36</u>	<u>29</u>	<u>27</u>
Net Borrowing Requirement	173	140	118

Although, as can be seen, substantial reductions in budget deficits are being forecast in later years by the Government, the Country's finances are still significantly over-extended. It should also be noted that these predictions are necessarily underpinned by other factors such as GDP growth and these have been questioned by independent economists and other organisations such as the International Monetary Fund (IMF). Given this backdrop it is unlikely that Central Government funding will be as generous in the future as it has been in the past.

4.3 Sources of Funding - Revenue

Council Services are financed from a number of sources the key ones being:-

- Government Grant/Formula Funding
- Council Tax
- Ring fenced Grants
- Fee and Charges
- Partnership Funding
- Efficiencies

Some of these funding sources are outside of the direct control of the Council and some are inside its control. A number of assumptions have therefore been made which will be reviewed in future versions of the MTFs as and when more information is available.

4.3.1 Government Grant/Formula Funding

The Government set Revenue Support Grant covering the years 2008/09, 2009/10 and 2010/11 on the 24th January 2008 and the Chancellor confirmed his commitment to maintaining Local Government grant figures for 2010/11 in the budget despite the Country's deteriorating fiscal position. The next Comprehensive Spending Review (CSR) is due to be initiated Autumn 2010. If this follows a similar approach it will cover the period 2011/12 to 2013/14.

Previous changes to the way formula grant allocations are being made are anticipated to remain. 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. That is, most Councils will receive similar levels of grant increase with limited differences between Councils from funding formulae.

Although this process seriously disadvantaged Calderdale in the past in that we received some £3.2m per annum less grant than the formulae suggested it did at least allow robust future planning assumptions to be made, i.e. a minimum floor increase of 2% have previously been assumed and built into the forecast.

However, given the economic backdrop, it is becoming increasingly unlikely that this will be a realistic outcome. As mentioned earlier, Government have publicly given their commitment to funding levels agreed for 2010/11 but political parties have signalled their intentions to reduce public spending.

The forecast funding levels have therefore been adjusted to reflect no increase in 2011/12 and 2012/13. This assumption may previously have been viewed as unduly pessimistic but against the current economic backdrop it is possible that the position could be even more severe.

This update of the MTFs does not, however, advocate a more prudent or pessimistic approach in light of the Council's relatively stable financial base and the longer term perspective that is being considered. That is, if announcements made from CSR 2010 affecting 2011/12 and beyond are materially different we will have the opportunity to reassess the position in 2010.

The forecast in section 5.3.6 shows the approved net budget (i.e. net of area based grant, fees etc) that has to be funded by Council Tax and Formula Grant. These figures were as agreed at Budget Council and therefore take account of all growth and savings effects of any decisions already taken.

As the final year (2012/13) of this MTFS was not part of last year's process it did not include increases for pay and prices as well as other issues such as social services demographics. The model therefore assumes that these will still need to be funded in 2012/13.

In summary, based on the assumptions detailed in the footnote, no savings are predicted to be required in 2010/11, however, the model suggests that the Council faces a deficit in its budget of £3.2m in 2011/12 and £9.4m in 2012/13.

4.3.2 Council Tax – Fair and Affordable

The other main component of funding is Council Tax income. At budget Council 23rd February this year Members agreed a 2009/10 Council Tax increase of 1.78%. Rises of 2% and 4% for 2010/11 and 2011/12 respectively were also indicated subject to future annual budget rounds. To bring 2011/12 and 2012/13 into line and to mirror the Vision into Reality commitment of a Council Tax that is low and stable, Council Tax rises have been adjusted to 2% per annum to provide a revised forecast income level.

Current estimates of balances which might be available are above the Council's agreed minimum level of £5m. It is recommended that this is not committed at this time but kept in reserve to manage in year issues over the period. Other options that are available are to not provide extra funding for social services demographics and improvement priorities.

4.3.3 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 non ring fenced Area Based grants which gives the Council 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 fund this robustly (at least relatively) over the plan period. Recent trends increases in the region of 5% annually would seem to be unlikely though in the present climate. The actual impact on individual schools will depend on a range of factors including changes in pupil numbers.

Other specific ring fenced grant areas are reducing as grants such as Supporting People are transferred into non ring fenced Area Based grants. The specific ring fenced grants that remain 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.

4.3.4 Fees, Charges and Other Income

The Council generates a significant amount of revenue from fees and charges (around £19m from discretionary charges).

Although the level of some charges that are levied by the Council are set statutorily, Directorates are required to undertake regular reviews of their approaches to charging.

The attached budget assumes that fees and charges will rise by 2¼% in 2010/11, 2% in 2011/12 and 2% 2012/13 in line with underlying inflation assumptions. These assumptions will be challenged through the annual budget process as per Audit Commission guidelines to ensure that they reflect the Council's financial and policy objectives (including further emphasis on recession and public expenditure reductions).

In addition to general fees and charges the Council earns interest on its reserves and balances set aside for future use. Every ½% reduction in interest rates equates to loss of around £400k in the Council's investment income. As rates are historically very low it is not anticipated that there will be further significant reductions than those built in to the overall forecast.

4.3.5 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 received £4.6m under the LAA (now allocated through Area Based Grant) 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 resource sharing across the Council which are identified in individual Directorate or Service Plans (e.g. the Children and Young People's Plan).

The key partner locally for the Council is Calderdale Primary Care Trust. In a similar way to the Council, the Department for Health have confirmed a funding increase of 5.5% for 2010/11. Previous versions of the PCT's MTFS assumed an annual uplift of 3.5% in funding for the two years after 2010/11, however, given the economic backdrop facing the public sector, this assumption has now been scaled back to 1% growth in future years.

The PCT has plans to provide additional resources through service re-design and cost reduction plans. When added to baseline funding the resources that are expected to be available for the next 3 years are as follows:-

Funding Source	2010/11 £m	2011/12 £m	2012/13 £m
Baseline Funding	344.0	346.3	348.9
Service Re-design	2.0	4.0	3.5
Cost Reduction Programme		3.5	3.9
Total Resources	346.0	353.8	356.3

4.3.6 Efficiency Savings to Ensure Affordable Council Tax Levels

The Council will continue to seek and generate efficiency and other savings from across 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. In addition individual services will seek further efficiency savings to develop and improve services within their overall delegated budgets.

To achieve a 3% annual VFM (efficiency) gain over the period 2008/09 to 2010/11 the Council was required to identify gains of £16.9m. With the announcement in the Chancellor's Budget of an increase in the efficiency target for 2010/11 to 4%, the total efficiencies required by the Council over the period increases to £18.7m.

4.3.7 An improved 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. 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.

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 reduce

Procurement Savings

Budgets for general supplies and services (not major, long term contracts) have been frozen until 2010/11 within the plan. Spend will be required to be contained within set budget limits by general procurement efficiencies.

Commodity charters have now been agreed for a range of procurement initiatives and interventions. These set out the background, the approach to the review, the targeted savings and milestones for:

- Agency staff
- Stationery
- External room hire
- Catering
- Furniture
- Consultants
- Phones
- Staff training
- Parking enforcement contract
- Water
- Printer rationalisation

In financial terms the most significant of these initiatives are those relating to the recruitment of agency staff, care contracts and printer rationalisation.

Agency staff

The new procedures for the employment of agency staff were introduced in January 2009, including the requirement for business cases. A budgeted saving of £300k was agreed as part of the budget process for 2009/10 (based on a total spend of around £2.9m previously). It is intended that the saving will arise from a combination of demand management from the new procedures and improved prices as a result of the introduction of the new Matrix management system. The Matrix management system was introduced in April 2009. For those agencies who have registered with Matrix the average reduction in price negotiated is currently around 5%.

Care contracts

In addition to the procurement reviews on 'discretionary spend' items such as stationery, there are reviews taking place of the way that we procure placements for various forms of social care. These reviews are focusing on placements in older people and nursing homes, learning disability placements and fostering placements. The general approach taken on each is to meet with the suppliers, challenge the basis of the charges made, examine whether the number and variance in supplier rates can be reduced, the number of suppliers can be consolidated etc. Budgeted savings of £300k (£200k from Adult Services and £100k from Children's Services) have been agreed for 2009/10.

Printer rationalisation

A new contract for the supply of printers and copiers has been signed and printers are currently being replaced in Council offices. It is hoped that the actual saving will exceed £100k per annum before taking into account the savings from reduced paper and energy consumption.

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 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 VFM scorecard approach has been implemented where all budget planning units are critically reviewed with regard to the following:

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

4.3.8 Summary of Revenue Finance Available

The Council receives a number of ring fenced grants (e.g. Dedicated Schools Grants) which can only be spent on certain services. It is assumed that costs relating to these grants will continue to be contained within the funding allocated. In a similar way fees & charges are already built in to the Council's underlying budget so these have also been excluded from the summary below.

Efficiencies generated from the Council's improvement agenda have also been assumed in the forecast below but will be discussed as part of re-alignment of resources in the next section.

Source of Finance	2010/11 £m	2011/12 £m	2012/13 £m
Government Grant/Formula Funding	81.5	83.1	83.1
Council Tax	82.0	85.3	87.0
Reduction due to Empty Property Discounts	-0.7	-0.7	-0.7
Collection Fund Surplus	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>
Forecast Income per Budget Council 2009	163.2	168.1	169.8
Reduce RSG/Formula Grant to nil increase	0.0	-1.6	-1.6
Reduce Council Tax rise to 2%	0.0	-1.6	-1.7
Revised Forecast Income	163.2	164.9	166.5

4.4 Sources of Funding – Capital

4.4.1 Resource Maximisation

The Capital Strategy demonstrates how the Capital Programme supports 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 majority of the Council's capital spend is financed by Central Government and the current Capital Programme fully utilises all of its 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.

4.4.2 The Main Sources of Capital Finance

The main sources of capital financing in summary are: -

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

Funding to service the loans element of government funding is provided by central Government through the Revenue Support Grant.

The Council's overall 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).

Calderdale 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 (e.g. the Invest to Sell Scheme) the Council is working hard to make the best use of its resources. The disposals process is managed by the Land Disposal Working Team which 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.

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, Learning 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.

Where joint working has been agreed between Partners, the relevant funding has already been included under the appropriate heading below. In the case of Calderdale PCT £630k of capital per annum has been allocated to extending GP premises to promote training in under-doctored areas. In addition, £2,486k is expected to be invested in Community hospitals in 2010/11 rising to £4,000k in 2011/12.

Over the medium term the funding below is expected to be available to the Council:-

Source of Finance	2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m	Total £m
Govt Supported Borrowing	8.0	7.1	7.0	7.0	29.1
Grants and Contributions	26.1	30.4	22.0	22.0	100.5
Use of Capital Receipts	7.1	2.6	1.9	0.8	12.4
Ringfenced / Prudential Borrowing	3.7	0.0	0.0	0.0	3.7
Total Capital Finance Available	44.9	40.1	30.9	29.8	145.7

The next section of the MTFS identifies looks at how the Council and its Partners expect to allocate these resources to meet their priorities.

SECTION 5

Prioritisation of Resources

5. PRIORITISATION OF RESOURCES

5.1 Introduction

The Council's base revenue and capital budgets have been built up over a number of years through the targeting of funding and so effectively reflects its priorities at any given time.

5.2 Realignment of Resources to Priorities

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, 2007/08 and 2008/09 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 as well as contingencies for any impact of income losses from asset disposals (eg Broad Street). This includes the revenue implications of several major capital projects which the Council is promoting over the period of this MTFS, for example the proposed new Halifax First facilities, the development of the Shay Sports Stadium, and the development of new swimming facilities.
- No dividend anticipated from the use of the Yorkshire Purchasing Organisation.

Other Improvement Priorities

A planning assumption was 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.

In order to remind the user of this MTFS of the recent decisions taken, Budget Council's prioritisations in 2009 are shown in the table below.

£2.2m of new resources were re-directed into key areas, and, through the identification of efficiencies, a further £9.8m of budget will be able to still be spent on existing priorities. This demonstrates that the re-prioritisation of resources is not limited just to budget growth but also occurs through the re-allocation of efficiency savings.

Priority	2010/11 £m	2011/12 £m	2012/13 £m	Total £m
Economy & Enterprise	0.27	0.25	0.25	0.77
Environment	0.22	0.22	0.22	0.66
Healthier Communities	0.03	0.03	0.03	0.09
Children & Young People	0.52	0.08	0.08	0.68
Efficiencies Funding Existing Priorities	2.80	3.50	3.50	9.80
Net Resources re-aligned in 2009	3.84	4.08	4.08	12.0

The Council is also committed to using its resources to meet the priority of 'Narrowing the Gap'. An equality impact assessment of the MTFS will be undertaken with the assistance of the Equality Forum to demonstrate this.

5.3 Additional Current Priorities and Pressures

To arrive at a revised expected financial position a number of priorities and pressures need to be identified and their impact considered.

5.3.1 Income Levels

As covered in the previous section, the forecast Government funding levels have been adjusted to reflect no increase in 2011/12 and 2012/13. An adjustment has also been made to Council Tax increases indicated at Budget Council in later years to bring them into line with 2009/10 and 2010/11 levels of 2%.

5.3.2 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 relating to a wide range of factors. A general provision for pay and price increases is already reflected in the Council's base budget for 2010/11 and 2011/12. The new 3 year budget forecast allows for an additional increase in the final year of the MTFS of £4m.

One major unknown factor is the level of the nationally agreed pay rise Councils will have to fund. Discussions on the current year's are still on-going and the MTFS and budget will be updated as soon as those negotiations are concluded.

An actuarial review of the Superannuation Fund is due in 2011 and this is likely to have an effect on the 2012/13 budget. It is too early to say exactly what the impact of this might be but it has been assumed that an additional £1m will be required to fund any deficit equating to 1% of the Council's annual pay budget. In addition to these cost pressures landfill tax of £8 a tonne has been built into the forecast in the 3rd year.

5.3.3 Impact of the Capital Programme

Again, in a similar way to above, the revenue effects of the Capital Programme as identified in this strategy have already been agreed in previous rounds of the MTFS only for years 2010/11 and 2011/12. £400k has been therefore added to the 3rd year. This relates to the financing costs of borrowing to pay for that portion of the Capital Programme that is funded by Government through the formula grant system.

A contingency of £100k has also been included under this heading which provides funding to allow the disposal of surplus buildings with small income streams and the revenue effects generally of capital schemes.

5.3.4 Other Priorities, Growth and Re-alignment

As in previous years there continue to be pressures around the impact on the Council's social services in relation to demographical change.

The improvement priorities 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.

5.3.5 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 therefore service specific issues will be required to be contained and addressed by utilising internal efficiency savings which will release officer time or other resources.

5.3.6 The Three Year Forecast

Taking into account the above, the table below shows the current best estimate of the budget forecast for the period 2010/11 to 2012/13 and highlights the extent of savings which will be required across the Council in each of those years. The three year forecast focuses on CMBC costs, however additional resources are made available from partnership funding in such areas as the Children and Young People's Plan and Learning Disability Development.

3 YEAR BUDGET FORECAST 2010/11 TO 2012/13			
	2010/11 £m	2011/12 £m	2012/13 £m
Funding Forecast			
RSG/NNDR - Formula Grant	81.5	83.1	83.1
Reduction due to Empty Property Discounts	-0.7	-0.7	-0.7
CT Income Per Budget Council	82.0	85.3	87.0
Collection Fund Surplus	0.4	0.4	0.4
Forecast Income per Budget Council	163.2	168.1	169.8
Reduce RSG/NNDR to nil increase		-1.6	-1.6
Reduction in CT to bring increase per annum to 2%	0.0	-1.6	-1.7
Revised Forecast Income	163.2	164.9	166.5
Forecast			
Budget	163.1	169.1	169.2
Contribution To (+) / From(-) Balances	0.1	-1.0	
Budget as agreed at Budget Council	163.2	168.1	169.2
Pay and Prices			
General Provision Pay/Prices			4.0
Superannuation Fund Actuarial Review (1% increase p.a. 2010/11 to 17% by 2012/13)			1.0
Increase in landfill tax £8 per tonne			0.4
	0.0	0.0	5.4
Impact of Capital Programme			
Supported Borrowing			0.4
Disposal of Assets/Revenue cost of Capital			0.1
	0.0	0.0	0.5
Other Growth/Realignment			
Social Services Demographics			0.5
Improvement Priority Contingency			0.3
	0.0	0.0	0.8
Forecast Total Expenditure	163.2	168.1	175.9
Summary			
Forecast of Funding Available	-163.2	-164.9	-166.5
Forecast of Net Expenditure	163.2	168.1	175.9
Forecast Surplus(-) / Deficit(+) - for Traditional Standstill Budget	0.0	3.2	9.4

As can be seen above, after assuming the level of income the Council is expecting over the next 3 years and the budget required to fund priorities, a break-even position is predicted in 2010/11 and a £3.2m deficit of expenditure over income is expected in 2011/12 rising to £9.4m in 2012/13.

Without further efficiencies and savings being identified during the next budget cycle it is unlikely that there will be significant resources available to fund additional priorities especially given the current economic climate.

5.3.7 Forecast of Balances 2010/11 to 2012/13

The following shows how the above forecast would affect the level of balances the Council holds:-

	£m
Estimated Available General Fund Revenue Balances as at 31/03/10	6.1
Assumed Contribution to Balances in 2010/11	0.1
Estimated Available General Fund Revenue Balances as at 31/03/11	6.2
Assumed Contribution from Balances in 2011/12	-1.0
Estimated Available General Fund Revenue Balances as at 31/03/12	5.2
Assumed Contribution to/from Balances in 2012/13	0.0
Estimated Available General Fund Revenue Balances as at 31/03/13	5.2

As can be seen, balances would remain above the minimum requirement of £5m throughout the 3 years of this MTFS subject to any further decisions on balances taken during the period.

5.3.8 Sensitivity Analysis

The effect of changes in the assumptions of the major elements within the plan are measured in the following table.

		Assumed in forecast	Potential Risk % Change +/-	Cost in £m	% Change in Council Tax
Funding					
Revenue Support Grant/NNDR	2010/11 2%, future years 0%	0%	1.0%	0.8	1.0%
Council Tax Income					
% Increase		2%	0.0%	0.0	
Change in Council Tax Base		0	-0.5%	0.4	
Council Expenditure / Income					
Inflation					
Pay	2010/11 2.25%, future years 2%	2%	1.0%	1.0	1.2%
Prices - Supplies and Services	2010/11 2.25%, future years 2%	2%	1.0%	0.3	0.4%
Prices - non Supplies and Service	2010/11 2.25%, future years 2%	2%	1.0%	0.5	0.6%
Traded Services	2010/11 2.25%, future years 2%	2%	3.0%	0.5	0.6%
Discretionary Income	2010/11 2.25%, future years 2%	2%	-1.0%	0.2	0.2%
Additional Spending Pressures *				1.0	1.2%
Total Sensitivities (£m)				4.7	5.2%

*The risks and sensitivities in respect of additional spending pressures has been estimated using information as reported within the first Revenue Monitoring Report 2009/10 to Cabinet.

The above table suggests that, in the scenario modelled, the risk could be covered by the Council's minimum level of balances held (£5m). However, there are numerous other scenarios and so the risks could also be to the downside, i.e. a benefit to the Council.

5.3.9 Risk Analysis

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 its 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.

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

Issue	Unadjusted Risk Assessment	Budget Impact £m	Financial/Management Strategy	Net Risk
(a)	(b)	(c)	(d)	(e)
RSG/grants Uncertainty	High	Up to £5m	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 e) Government 3 year financial settlements.(first year known)	High
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 Budget Review 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	Medium	£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. Implementation of waste strategy	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	Med

Issue	Unadjusted Risk Assessment	Budget Impact £m	Financial/Management Strategy	Net Risk
(a)	(b)	(c)	(d)	(e)
			reserves using one off gains	
Loss of Income including sudden changes in local or national economy	Medium	£0 – 2m	Ongoing Monitoring	Med
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 2008. The main change relates to RSG grants uncertainty where the lack of three year government settlements has made the forward planning into 2011/12 and 2012/13 less robust. The potential exposure of the Council on this issue has therefore increase to a high risk.

- Grants. The lack of three year government settlements now make medium term financial planning less robust.
- Pay and price inflation. This risk is perhaps higher with major uncertainty about fluctuating fuel prices and possible impact on the economy; the previous 3 year pay award has now expired and pay is currently being re-negotiated on an annual cycle. Government has signalled a robust approach in relation to public sector pay restraint. The final 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 will impact within the plan period. The new waste collection contract and proposed partnership arrangements for disposal should reduce this risk significantly. The validity of the estimates will be reviewed regularly throughout the plan period. The increasing number and extent of environmental directives may have other impacts upon the Council, for example, in the form of land remediation.
- 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), demand led cost pressures plus the inbuilt uncertainty about Central Government Funding. In addition, there is significant uncertainty at the moment about the local economy. This uncertainty may continue to impact on the Council through a reduction in income streams, increased demand etc. 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.

5.4 Capital Programme Prioritisation

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.

5.4.1 Linking of Resources to Priorities

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

The capital allocations are prioritised using well developed, well tested and transparent capital appraisal techniques in 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), the Piece Hall Area Renaissance, the provision of new swimming pools in three areas and a major regeneration scheme in Todmorden. In addition to 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 technically 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 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.

5.4.2 Capital Programme Forecast 2009/10 to 2012/13

Estimates have been made of possible levels of funding which the Government might make in future years. These funding streams cover housing, roads and school schemes. Actual spending plans will be refined once actual allocations are known. The table below is based on latest estimated figures.

Summary capital financing	2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m*	Total £m
<u>Forecast Expenditure</u>					
<u>Schemes Fully Approved to Progress</u>					
Economy and Enterprise	6.1	2.6	0.0	0.0	8.7
Environment	9.6	8.8	7.7	7.7	33.8
Safer and Stronger Communities	1.8	0.1	0.0	0.0	1.9
Healthier Communities	0.4	0.4	0.2	0.2	1.2
Older People	0.3	0.2	0.0	0.0	0.5
Children & Young People	19.3	23.2	21.4	21.4	85.3
Narrowing the Gap	6.9	4.8	1.6	1.6	14.9
Use of Resources	0.5	0.0	0.0	0.0	0.5
Forecast Capital Expenditure	44.9	40.1	30.9	30.9	146.8

*Similar levels of expenditure have been assumed for 2012/13 as for 2011/12

5.4.3 Targeting of New Resources to Investment Gaps

As mentioned above, in relation to capital, the Council has 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. These areas are capital intensive in that significant investment is required in assets to provide services. In contrast, Older People services are delivered via an outsourced contracting model where the private sector invest in the building and other assets that are required.

The above clearly shows a gap in certain areas where significant capital resources have previously not been allocated. These are Healthier Communities and Use of Resources/Service Improvements. The Vision into Reality change programme outlined in Section 3 lists the key must-dos for the Council to divert much needed resources into these two areas.

Again, North Halifax Academy is a flagship scheme that the Council is committed to delivering for the key Children & Young People theme. In addition, further investment in schools paid for by Prudential Borrowing but funded by Dedicated Schools Grant is planned. The resources over and above those in the Capital Programme that is to be diverted into these themes over the next four years can be seen in the table below:-

Priority	2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m	Total £m
<u>Healthier Communities</u>					
S. Bridge/Brighouse Pools	3.5	7.2			10.7
Shay Estate	4.9				4.9
Halifax Pool	*	*	*	*	*
<u>Children & Young People</u>					
North Halifax Academy	*	*	*	*	*
Schools Prudential Borrowing	1.0	1.0	1.0	1.0	4.0
<u>Resources/Improvements</u>					
Halifax Customer First	*	*	*	*	*

*These schemes are yet to be fully worked up but are expected to be predominantly self financing.

Although the Bradford and Calderdale Waste Disposal Partnership as identified in Vision into Reality involves a major capital scheme, the Lead Partner for this is Bradford MDC so from a capital perspective there is no requirement for Calderdale to earmark any capital resources for it. The facility is scheduled to be operational in 2015 and will allow the Council to re-process/recycle a large proportion of its waste thus reducing the amount being diverted to landfill. Calderdale's financial contribution to the project will be funded through existing waste disposal budgets and savings on landfill tax and tipping charges.

5.4.4 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.

5.4.5 Prudential Indicators are Applied in Assessing the Affordability of Capital

The Prudential Code Regulations were introduced in 2004/05 to help relax the Local Government capital control/borrowing regime through the setting and monitoring of a number of indicators referred to in the Prudential Code.

The main objectives of the 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), and
- That treasury management decisions are taken in accordance with good professional practice.

The Prudential indicators that are set each year through Council are required to demonstrate that Local Authorities have fulfilled these objectives. The Prudential Code lays down a clear corporate governance requirement for the establishment of procedures to monitor performance against these indicators and to report any findings in a comprehensive and consistent manner.

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 non-affordability. 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.

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.

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.

	2009/10 Estimate %	2010/11 Estimate %	2011/12 Estimate %	2012/13 Estimate %
Finance costs as a % of net revenue stream (excl DSG)	4.7	4.5	4.4	4.4

Members 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.

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 31st March at the end of the following years is currently forecast as follows:

	2009/10 Estimate £m	2010/11 Estimate £m	2011/12 Estimate £m	2012/13 Estimate £m
Capital Financing Requirement	148.1	149.2	150.2	151.1

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.

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.

	2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m
Total Operational Boundary	128	130	131	132
Total Authorised Limit	136	138	139	140

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.

Capital Projects and the Impact of Prudential Borrowing on Council Tax

Long term borrowing is taken out to support the Council's Capital Programme. These borrowing requirements are considered in the context of the Council's agreed Treasury Management Strategy and Prudential Indicators. Two key prudential indicators used when authorising borrowing are the authorised limit for debt and the capital financing requirement, i.e. that total debt after the proposed new debt must be below both of these limits.

In addition, a key tool in managing the Council's debt is the maturity structure of borrowing. The Council's agreed strategy is to have a smooth maturity profile with a bias towards the long term to provide a high degree of certainty in the Council's budget as follows:-

Period	Lower Limit	Upper Limit
Under 12 months	0%	10%
12 months and within 24 months	0%	10%
24 months and within 5 years	0%	30%
5 years and within 10 years	0%	50%
10 years and above	60%	100%

The current levels of borrowing maturing in the above 5 periods sit within the lower and upper limit levels at 2.6%, 1.8%, 6.6%, 17.7% and 71.3% respectively.

SECTION 6

Performance Management and Ensuring Value for Money

6. PERFORMANCE MANAGEMENT AND ENSURING VALUE FOR MONEY

This section details how the Council's Performance Improvement Strategy achieves sustained service improvements for the people of Calderdale. It also outlines the approach which is used across the Council to ensure priorities can be funded and how this links into the wider value for money targets monitored by the Government.

6.1 Ensuring Value for Money and Releasing Resources Needed to Meet Priorities

With a continuing balance to be achieved between providing good quality services within increasingly constrained resources the Council has to look increasingly towards ensuring that it secures value for money. The Council has implemented strategies to ensure that achievement of value for money underpins everything we do.

The 2007 Comprehensive Spending Review set out the requirement for Councils to achieve 3% annual cash-releasing value for money gains over the period 2008/09 – 2010/11. For Calderdale this equated to £16.9m. With the announcement in the Chancellor's Budget of an increase in the efficiency target for 2010/11 to 4%, the total efficiencies required by the Council over the period increases to £18.7m.

Regardless of the budgetary position for 2010/11 we need a concerted effort to identify efficiencies which are being achieved within Services to make up this shortfall. This will include the consideration of any efficiency improvements which have been made (over and above those identified as part of the budget process), for example, by examining areas which are underspending or from which resources were reallocated or new initiatives which were introduced.

The drive for Value for Money has been embedded into the budget process for many years. The Council continues to seek value for money and service improvements across all its services 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 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 Councils prioritised budget over each of the next three years. In order to address any budget shortfalls base budget reviews are undertaken on targeted services in order to identify those areas where value for money can be improved and savings achieved. The base budgets reviewed are identified in a number of ways including through the Value for Money scorecard which incorporates information about each service's contribution to the Council's corporate priorities, its cost and performance relative to other comparable authorities and its customer satisfaction. The results of the scorecard are then used to identify those areas which will be targeted for base budget reviews on the basis of their VFM status.

A range of options to improve VFM and generate savings is subsequently produced. 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 VFM agenda and monitor its implementation through a regular series of budget monitoring reports to Cabinet and each Scrutiny Panel.

The identification of value for money gains is not, however, limited to the budget process. Services are encouraged to identify VFM during the course of the year which can be reinvested in service improvements and the Council has budget and process review mechanisms in place which help identify VFM.

The Council's many processes for managing and improving Value for money have been incorporated into a Value for Money strategy. The strategy sets out;

- The importance of value for money in meeting the Council's overall priorities
- Explains what VFM is and demonstrates this with examples from Calderdale
- Describes the processes in place to attempt to secure VFM
- Describes the roles and responsibilities of various parts of the organisation in achieving VFM.

Other ways the Council ensures it is providing value for money services are;

- Internal Management/ VFM reviews
- External reviews
- Business transformation
- Business Process Re-engineering
- VFM Profiles
- Partnership working

The Council is also progressing VFM improvements through a number of cross – cutting initiatives including:

Procurement

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

ICT/ E Government

The Council has invested significantly in the delivery of IT and E Government. Gains have been achieved in both customer facing and back office functions. Looking forward the Council's emphasis is currently on achieving greater VFM through the rationalisation of administrative functions in order to maintain and improve customer facing services. Further significant VFM gains are anticipated through future developments and Partnership working across the West Yorkshire Region.

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 achieved and will continue to be obtained from this process which will be reinvested in new capital schemes and reduce borrowing costs to the Council.

Outsourcing

The Council has a healthy mixed economy of service provision. The Council has a range of contracts with the private sector for a range of services including elderly residential homes, home care and waste collection. The mix of public and private provision is reviewed and changed where it is believed that VFM gains can be achieved without any reduction in service quality.

Working with Calderdale PCT and other Partners

The Council seeks to work in Partnership with other local agencies wherever possible. Within IT Calderdale is working in partnership with neighbouring authorities and the Regional Centre of Excellence, Procurement are working with partners particular on the development of a local market place and e-government initiatives including an e-auction for agency staff and Childrens Services is leading on a regional collaboration for the commissioning of residential and foster care places.

A joint strategy document has been produced by NHS Calderdale and the Council which describes what Health and Social Care community based services were needed for the people of the Borough under the Transforming Community Services Programme” established by the Department of Health that states that Community Health Services should:-

- provide greater patient choice, personalisation and improve access to services, care and support; and
- enable the provision of integrated care with local authority services wherever possible.

Putting People First, which set out the expected transformation in social care, also emphasised the integration of the services, improved access to services and the importance of personalised services. In Calderdale there had been a strong tradition of the Council and the Primary Care Trust (PCT) working together and these changes provided an opportunity to bring the commissioning of Health and Social Care Services closer together.

All Health and Social Care Services in Calderdale must be able to demonstrate how they could deliver on a set of principles ranging from quality, sustainability, integration to the promotion of health and wellbeing. These should support all decisions about the future of services and are underpinned by the need to ensure value for money with a focus on both productivity and innovation (e.g. single buying). Proposals for joint working with the PCT have therefore been welcomed by Members of the Council.

Productivity

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

Service Improvement

Savings continue to be identified throughout the year through continuous service improvement. The various VFM initiatives are co-ordinated through a workplan which has been developed as VFM is one of the key strands of the Vision into Reality.

6.2 Value for Money Scorecard

Value for Money (previously known as Budget) Scorecards have continued to be developed. This tool will continue 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.

Although this will continually be updated in line with changes in local performance and national comparators, a snapshot position based on most up to date data can be seen below.

This shows, for each of the major budget planning unit of the Council, in graphical format, an average VFM performance measure derived from the following three national indicators plotted against a Local Improvement Priority rating. For each planning unit, three indicators were used to obtain a VFM score:

- 1 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.
- 2 Performance Levels
These have been based on National Best Value Performance Indicators, where available.
- 3 Customer Satisfaction Levels.
These have been based on National Best Value Satisfaction Information, where available.

Composite Score

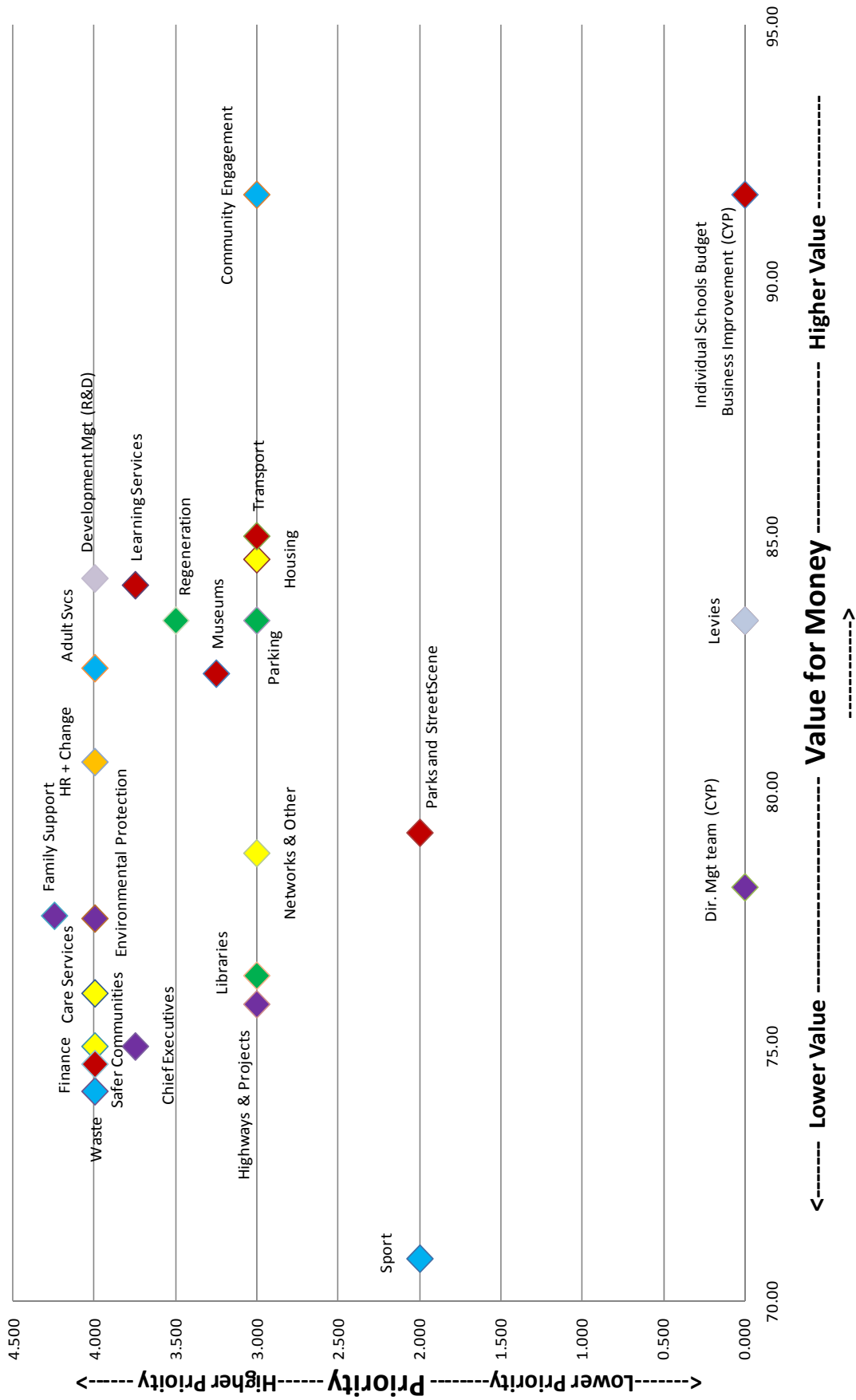
Based on the above three parameters a composite score was calculated against which to plot a Local Improvement Priority rating.

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 in line with the previous MTFS.

As a result VFM reviews have been undertaken in priority areas such as Children's Care Services, Adult Social Care, Planning and Waste.

Value for Money Scorecard



6.3 Performance Management

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

Performance reports monitor progress against targets and key milestones and are submitted to Cabinet and Scrutiny Panels. For the Council Improvement Plan progress is reported against key milestones and performance outputs.

6.3.1 MTFS and Service Plans

Performance management of the MTFS is carried out through monitoring of the revenue budget (over the 3 years), the Capital Programme 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.

Where the Council has prioritised resources by providing growth in a service budget or by arranging for a redirection of existing resources, plans are developed by services setting out how they intend to use the additional resources, what outcomes can be expected, and how this will be monitored. These plans are reviewed on a quarterly basis and action taken when the resources are not having the desired impact.

6.3.2 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.

6.4 Continuous Improvement

We want to be the best Council in the country. 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
- A culture that recognises that even small changes can make big differences to people's lives and that encourages staff to 'grasp the nettle' and 'forget make do; think can do'

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 it. 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
- Use of the VFM scorecard as part of continuous improvement to help determine priorities and to target where the ISF might focus its attention

6.5 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 it's 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 ENVIRONMENTAL ASSESSMENT

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.

7.1 The Environmental Management System

The Council's Core Environment Programme (CEP) is a key document that forms part of the overall Environmental Management System (EMS) in managing the Council's environmental impacts through delivering its services.

It outlines the key areas of environmental issues facing the Council and contains a set of objectives and targets to manage the most significant impacts identified from the Council wide initial environmental review.

This Corporate-wide Core Environment Programme aims to establish corporate procedures, standards and performance indicators. All service areas are responsible for contributing towards the implementation of the CEP and making progress towards achieving the objectives and targets.

In addition to the Core Environment Programme's objectives and targets, each service area will have its own service specific environmental impacts, which will be managed through a Service Environmental Programme (SEP). These impacts are those that are unique to that service area.

7.2 The Priorities of the Core Environment Programme

The Council's environmental impacts can be grouped together under nine priorities. These are: Atmospheric Emissions; Releases to Water; Waste Management; Land Contamination; Raw Materials; Energy; Biodiversity; Local Issues and Partnerships. Under each of the CEP objectives there are a number of specific performance indicators to help measure the Council's success in delivering against those objectives.

Outcome 1: Improve Air Quality

CEP Objective 1.1: Reduce Nitrogen Oxide (NO_x) and Particulate Matter (PM₁₀) emissions from Council estate and operations

CEP Objective 1.2: Implement actions to reduce the environmental impacts of staff commuting and business travel.

CEP Objective 1.3 Improve access to Council Services by communication modes that reduce the need to travel

CEP Objective 1.4: Per capita reduction in CO₂ emissions in Calderdale.

Outcome 2: Improve Water Quality

No objectives have been currently been formulated under this outcome

Outcome 3: Improve Waste Management

CEP Objective 3.1: Implement actions to reduce, reuse and recycle waste from Council buildings and services.

Outcome 4: Reduce Risk of Land contamination

No objectives have been currently been formulated under this outcome

Outcome 5: Conserve Raw Materials

CEP Objective 5.1: Conserve water in Council Buildings.

CEP Objective 5.2: Adopt a procurement policy demonstrating environmental considerations in purchasing decisions.

CEP Objective 5.3: Minimise the quantity of paper and furniture used in the course of Council operations

Outcome 6: Conserve Energy

CEP Objective 6.1: Reduce energy consumption for Council operations including buildings, transport and waste.

Outcome 7: Enhance Biodiversity

CEP Objectives 7.1: The rural and urban heritage and local wildlife habitats in the District are conserved, enhanced and enjoyed

Outcome 8: Improve Local Issues

CEP Objectives 8.1: Planning to Adapt to Climate Change

Outcome 9: Improve Partnerships

CEP Objective 9.1: Influence environmental performance of partners, suppliers and contractors.

7.3 Influence of the MTFs on the Council's Environmental Impact

The targeting of financial and other resources is a powerful tool against protecting the environment and delivering the Council's environmental aims and Services have included specific environmental objectives within their Service Improvement Plans. Some examples of the more important measures that have been taken are highlighted below under the CEP headings and an assessment of their impact has been made.

Improving Air Quality

Mercury emission control is set by the Department for Environment Food and Rural Affairs (DEFRA). The base line requirement is that by 2012 50% of all cremations will take place at sites that the new emission standards are met.

To give its full commitment, the Council became part of the Crematoria Abatement Mercury Emissions Organisation (CAMEO) in 2005. The purpose of CAMEO is to both drive the reduction in mercury pollution through incentives for the investment in emission control and also to act as a single body to trade emissions.

The Council's financial plans therefore now include heavy investment in new cremators (through the use of prudential borrowing) with mercury abatement equipment fitted. It is also estimated that the new cremators will consume 15% less energy than the previous ones.

Improving Waste Management

The Council has committed itself to improving its recycling capabilities through a rolling programme of major works at its household waste sites. The funding for these are built into the Capital Programme, nearly £900k has been invested to date with the aim to increase recycling rates by providing enhanced facilities, better traffic flow and reduced waiting times.

The Council has also invested in a new waste collection service which will bring significant benefits in terms of recycling and is working with Bradford Council to secure a long term waste disposal facility.

Reducing the Risk of Land Contamination

The Council is committed to reducing the risk of contamination through closed landfill sites and has provided some resources within the budget to meet the borrowing costs associated with any works required.

Conserving Energy

The Council is embarking on the replacement of its oldest swimming pools and work is due to commence shortly in Brighouse and Sowerby Bridge. The new pools will be built to the most up to date environmental and efficiency standards and through the use of modern materials, new boiler and plant and reduced air space (leading to better heat retention) this should result in a 50% improvement in energy efficiency. This will help the Council make progress under its Carbon Reduction Commitment (CRC). The financial implications of the national CRC scheme will be assessed once details of the scheme are available.

Smarter and flexible working has been piloted to allow more staff members to work from home thus reducing the Council's carbon footprint. This pilot will be extended and is an integral part of the overarching Customer First programme.

7.4 The Council's Environmental Performance

Calderdale has clearly demonstrated commitment to its environmental obligations, to preventing pollution and continuously improving performance through the Environmental Management System. Below is a table outlining the Council's performance against key indicators and shows how the above measures are transforming its environmental impact.

Aspect	Performance Indicator	Performance		Is it improving? Yes ☺ No ☹	Target 2009/10
		2007/08	2008/09		
Energy & CO ₂	CO ₂ emission reduction from the Council's operations including emissions from commuting, water and waste – Tonnes of CO ₂	45,091	44,159	☺	42,029
Energy & CO ₂	Reduction in CO ₂ emissions in the LA area – Tonnes of CO ₂ per capita)	7.2 (2005/06)	-	-	6.81
Air Quality & CO ₂	Children travelling to school – mode of travel usually used	85%	85%	☺	97%
Air Quality & CO ₂	Staff commuting - % of staff commuting in single occupancy cars	59% (2003/04)	52%	☺	44%
Air Quality & CO ₂	Transport used in delivering council services – Tonnes of CO ₂	3,126 (2003/04)	2,856	☺	2,776
Water use	Water Use by council operations – thousands m ³ of water	253	202	☺	197
Waste	Council generated waste - Tonnes of waste	28,803	26,781	☺	24,629

Calderdale Council

Finance Services
Princess Buildings
Halifax
HX1 1TP
Telephone: 01422 393505
Email: nigel.broadbent@calderdale.gov.uk

www.calderdale.gov.uk

If you would like this information in another format (eg. Braille, large print audio type or computer file), or another language, please contact: Tel: 01422 393505

اگر آپ کو یہ معلومات کسی دوسری زبان
یا شکل میں چاہئے تو رابطہ کریں:

Tel: 01422 393505

আপনি যদি এই তথ্য অন্য কোন মাধ্যম অথবা ভাষায় চান
তাহলে দয়া করে যোগাযোগ করুন :

Tel: 01422 393505

