

**SCRUTINY COMMISSION - 5TH SEPTEMBER 2007****PLANNING PROCESS FOR 2008/09****REPORT OF THE CHIEF EXECUTIVE AND  
DIRECTOR OF CORPORATE RESOURCES****Purpose of Report**

1. To brief the Commission on the proposed arrangements for financial and performance planning for 2008/09.

**Background****Previous Arrangements**

2. The Medium Term Corporate Strategy (MTCS) has driven the development of the Medium Term Financial Strategy along with the Local Area Agreement (LAA)/Community Strategy and service plans. The links between the main strategies and plans are shown in Appendix A.
3. The latest MTCS, covering the four year period ending May 2009, was developed following extensive public consultation including the citizen's panel. It was also considered by the Scrutiny Commission.
4. The 2007 Medium Term Financial Strategy (MTFS) was developed over a period of nine months and involved both public consultation and scrutiny by the Scrutiny Committees and the Scrutiny Commission.
5. Members were involved in the development process at all key stages including identification and prioritisation of service improvements, service reductions and new income from charging.
6. The Scrutiny Committees and Scrutiny Commission received reports on the revenue budget and capital programme proposals. An overview was reported in October / November and detailed reports were received in late January. Comments arising from the meetings of scrutiny bodies were considered by Cabinet in formulating the final proposals.
7. Budget consultation on the MTFS was undertaken through two focus groups, one in Loughborough and one in Wigston, and a questionnaire. The

questionnaire was sent to the County Council's Citizens' Panel and was also available on line and nearly 600 responses were received.

8. Details of the consultation were circulated through the Members' Information Service. Members of the public were also given the opportunity to comment on the draft budget following its publication in January.

### **Factors affecting the process for 2008/09**

9. The Comprehensive Spending Review is expected in October. It will give an indication of the funding that will be available to the County Council and to its partners, individually and through the Local Area Agreement pooled fund. However full details of funding are not expected until December.
10. The Government has set a deadline of June 2008 for the new style LAAs to be agreed between each County/Unitary Authority area and the Government. This should be the main channel for priorities for improvement for that area to be agreed. It will include about 50 of the 200 national indicators that the Government will publish alongside the Comprehensive Spending Review.
11. In order to prepare for the new LAA the County Council has begun to prepare, through Leicestershire Together, a new Sustainable Community Strategy (SCS). This will identify the outcomes that need to be achieved to improve the services to and quality of life of all Leicestershire people.
12. Because these key inputs to the planning process for 2008/09 will not be available until the late Autumn revised arrangements are proposed.

### **The Comprehensive Area Assessment**

13. The Local Government White Paper and other Government policy announcements emphasise that top tier local authorities, Counties and Unitaries, will increasingly be judged not just on the quality of the services they deliver or commission directly but also on the leadership they provide to the range of organisations that deliver public services in their area. This approach will be reflected in the new Inspection regime when the Comprehensive Performance Assessment (CPA) is replaced by the Comprehensive Area Assessment (CAA).
14. The CAA will comprise:
  - an annual publication of performance against the 200 indicator set;
  - an annual risk assessment for each area (not authority);
  - an annual Direction of Travel score for each local authority;

- an annual scored Use of Resources judgement for all local authorities, Primary Care Trusts, Fire and Rescue Authorities and Police Authorities.
15. It will have greater focus on:
- citizen and community empowerment and will assess whether local authority management and information systems give due weight to citizen intelligence.
  - specific places within the area
  - measuring outcomes secured rather than delivery arrangements:
  - the 50 or so priority targets included in the LAA;
  - looking forward to risks rather than backwards at delivery performance.

### **Proposals**

16. Given the direction of the Government's proposals including the CAA, it is clear that the County Council's planning arrangements need to be adjusted to:
- bring closer together the County Council's processes with those of partner organisations and our Leicestershire Together partnership;
  - use the Sustainable Community Strategy (SCS) as the County Council's strategy document with the LAA as the top level implementation plan;
  - align the MTFS with the LAA;
  - ensure that there is a sound evidence base including a strong focus on intelligence about users;
  - consider consultation about spending priorities across public services rather than just LCC;
  - ensure that the thread of activity from strategic to service to individual performance plans has partnership activity woven into it.
  - combined quarterly reporting (LCC/Partnership & outcomes/finance).
17. For planning for 2008/09 the following process is being considered:

#### **Phase 1** - Priority identification through SCS;

All Member workshops by LAA theme – October

Consultation including user groups and theme/cross cutting partnerships

#### **Phase 2** - Draft SCS and initial consideration of financial planning;

All Member briefings mid/late October (Budget)

Community consultation on draft Sustainable Community Strategy

Scrutiny Committees late October to Early November (SCS)

Scrutiny Commission 7th November (SCS & financial planning)

Cabinet 20th November

**Phase 3** - Finalisation of the SCS and budget consideration

Cabinet 10<sup>th</sup> January 2008  
All Member briefings mid January 2008  
Scrutiny Committees late January 2008  
Scrutiny Commission 30th January 2008  
Cabinet 11th February 2008  
Council 20th February 2008 (Budget)

**Phase 4** - first draft of the LAA and LAA pooled budget;

Participatory budgeting with local groups to identify means to achieve service outcomes.  
All member briefings mid March 2008  
Scrutiny Committee 2<sup>nd</sup> April 2008  
Cabinet 8th April 2008  
County Council 21st May 2008 (for approval of SCS and LAA)

**Equal Opportunities Implications**

The Sustainable Community Strategy will have a focus on vulnerable people, groups and neighbourhoods.

**Background Papers**

Medium Term Financial Strategy  
Medium Term Corporate Strategy  
Local Area Agreement

**Circulation Under Sensitive Procedures**

None

**Officers to Contact**

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**Medium Term Financial Strategy – Links to other plans and strategies**



