

OVERVIEW AND SCRUTINY COMMITTEE
23 JULY 2013

***PART 1 – PUBLIC DOCUMENT**

AGENDA ITEM No.

13

TITLE OF REPORT : PRIORITIES FOR THE DISTRICT 2014/15 ONWARDS

REPORT OF THE STRATEGIC DIRECTOR FOR FINANCE, POLICY AND GOVERNANCE
PORTFOLIO HOLDER COUNCILLOR DAVID LEVETT

1. SUMMARY

- 1.1 This report recommends the three high level priorities to guide the 2014/15 Corporate Business Planning Process.
- 1.2 To propose that priorities are set for at least a five year period with a review at the end of five years (or sooner should external circumstances dictate).
- 1.3 To propose the Corporate Business Planning Timetable for 2014/15.

2. RECOMMENDATIONS

- 2.1 That Cabinet confirms that it shall recommend to Full Council that it approve the following as high level council priorities for 2014/15 onwards:
 - **Promoting Sustainable Growth**
 - **Working With Our Communities**
 - **Living Within Our Means**
- 2.2 That the priorities are set for at least a five year period with a review at the end of five years (or sooner should external circumstances dictate).
- 2.3 That Cabinet confirms that it approves the Corporate Business Planning Process Timetable for 2014/15 in the form set out in the appendix.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To allow Cabinet and Council to consider the priorities which will guide the corporate business planning process for 2014/15.
- 3.2 Setting the priorities for a longer period of time will enable the identification of any medium to longer term projects alongside the annual work programme for the individual service areas which underpin the priorities document and will allow enough time for any changes to the way the Council works to be effective.
- 3.3 The proposed Corporate Business Planning Timetable ensures that a balanced budget will be set in a timely manner and incorporates sufficient consultation.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The option to retain the existing Priorities for 13/14 through to 2014/15 was considered but discounted.

5. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS

- 5.1 No external consultation has been undertaken in the preparation of this report. Members will, however, be aware that consultation is an integral part of the corporate business planning process, and consultation on the actions to support the Priorities for the District 2014/15 will be carried out in accordance with the outline timetable at Appendix A. Wherever it is available, use will be made of valid opinion research data. As in previous years, Member workshops will be held and this is in addition to seeking the views of the Finance Audit and Risk Committee, the North Herts Partnership, parish, town and community councils and business ratepayers views as appropriate.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 8 March 2013.

7. BACKGROUND

- 7.1 Before considering the detailed budget position for the authority, the Corporate Business Planning Process requires that the high-level priorities are determined. Budgets should then be allocated to ensure their achievement.
- 7.2 The budget and the priorities are inextricably linked. There is no point in having a priority that cannot be funded and no point in spending limited resources if they are not achieving the priorities that have been set.
- 7.3 The priorities since 2012/13 have been:
- Living within our means to deliver cost-effective services;
 - Working with local communities; and
 - Protecting our environment for our communities.

These have been reviewed annually and a Priorities for the District document has been produced each year which includes details of key projects to achieve the priorities.

8. ISSUES

- 8.1 The Council has a well established process to review its priorities and produce a budget in support of those priorities. The timetable attached at Appendix A again allows for strategic level Member workshops in September followed by a second set of workshops in November to consider the detailed efficiency proposals
- 8.2 Feedback from the investors in people assessment from staff indicated that they found the current priorities contained too many words. The proposed amendments to the priorities has reduced the word count.

- 8.3 The new funding regime for Local Government requires the approach to growth in the district to be reconsidered. The proposed change in one of our three priorities to Promoting Sustainable Growth is in line with this requirement. The Council's emphasis will be to encourage growth where that is sustainable. Each of the priorities is detailed in the following sections:
- 8.4 **PROMOTING SUSTAINABLE GROWTH**
North Herts is recognised as one of the best places to live in the country (town and country, good family homes, diversity of the towns, low crime rates and strong communication links) but with dwindling resources from central government, the Council needs to consider how to generate additional income to protect and enhance what we already have. At national level, the changes to the local government funding system are all about a growth agenda, be that business growth or housing growth. A balance needs to be struck between growth and the environment we live in so that the lifestyle we all enjoy is sustainable for us and for future generations.
- 8.5 Sustainable growth encompasses employment, housing, leisure and the infrastructure to support the growth and the Council needs to promote an environment in which businesses and people can flourish. It is important that any such growth is environmentally sustainable.
- 8.6 North Herts already has a large number of small highly specialised engineering, design and manufacturing companies, many of whom provide services to the large aerospace, defence and pharmaceutical companies in our neighbouring authorities. The Council might for example focus attention on encouraging more of this type of industry to the district, which will in turn promote the need for a modest amount of good quality housing.
- 8.7 Schemes such as assisted rents and rate free periods for business are not considered sustainable. A business will take advantage of such schemes but when they come to the end of the rent or rate free assistance they may well go elsewhere to take advantage of a better offer or simply fail as without the support the business is not viable.
- 8.8 Additional income can be generated from new homes bonus for a 6 year period and the increased income resulting from growth from Council Tax and Business rates over a longer time. However the recently announced top-slice of the NHB funds for the Single Local Growth Fund administered by the LEP will reduce our income from that source and the planned Business Rates revaluation in 2017 will "reset" the base and may impact on the amount of "growth" authorities get to keep.
- 8.9 **WORKING WITH OUR COMMUNITIES**
As a Council we need to listen to what people tell us is most important and a priority to them and tailor the services provided so that our limited resources are concentrated on the things that matter to our communities. This will inevitably bring challenges as there will be many different opinions about the allocation of resources and it will be difficult to steer a course through the competing opinions to deliver the outcome that is best for North Herts.
- 8.10 **LIVING WITHIN OUR MEANS**
The means at the Council's disposal is not just about money but is also about other resources such as people, knowledge, investments and land and buildings. The Council needs to ensure it is getting the most from all of its resource even if that means radical changes to what is done and how it is done. The aim has to be to stand on our own with little or no government assistance.

- 8.11 In addition to determining the level at which the statutory services are provided, the Council will continue to use the results of District Wide Survey, focus groups, mystery shoppers, The Council's 3 C's etc. to determine which services to prioritise and why.

9. LEGAL IMPLICATIONS

- 9.1 Cabinet's terms of reference include the power, "to advise the Council in the formulation of those policies within the Council's terms of reference" and the power to make recommendations regarding that advice.
- 9.2 Full Council's terms of reference include "approving or adopting the policy framework...Priorities for the District."
- 9.3 The corporate priorities set out in this report will provide high level reference points that will assist the Council making clear and effective decisions.

10. FINANCIAL IMPLICATIONS

- 10.1 The actions to support the delivery of the priorities will be resourced through the corporate business planning process cycle for 2014/15.
- 10.2 It is clear that the Council will continue to face difficult spending decisions in view of the current economic climate and the reduction in government support in future years and that the availability of funding will impact on the projects that can be undertaken.

11. RISK IMPLICATIONS

- 11.1 The budget and the priorities are inextricably linked and determining the priorities is key to commencing the corporate business process for 2014/15. Failing to agree these at this stage would have a negative impact on the budget setting process. In addition, the priorities are key to delivering the Council's vision of Making North Hertfordshire a vibrant place for people to live, work and prosper.
- 11.2 The key projects that will support the delivery of the new priorities, where relevant, will have a project risk log that is maintained by the Project Manager and reviewed by the Project Board. Some high value/cross cutting projects may be considered as Top Risks for the Council and these will be monitored by the Finance Audit and Risk Committee.

12. EQUALITIES IMPLICATIONS

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of its functions, give **due regard** to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 The Equality Act 2010 came into force on the 1st October 2010, a major piece of legislation. The Act also created a new Public Sector Equality Duty, which came into force on the 5th April 2011. There is a General duty, described in 12.2, that public bodies must meet, underpinned by more specific duties which are designed to help meet them.

- 12.3 By agreeing the priorities for 2014/15 onwards provides a means to meet the Council's vision and deliver accessible and appropriate services to the community to meet different people's needs. Each activity which contributes to the delivery of the Council's priorities is required to fulfil the council's obligations arising from the Public Sector Equality Duty.

13. SOCIAL VALUE IMPLICATIONS

- 13.1 As the recommendations made in this report do not constitute a public service contract, the measurement of 'social value' as required by the Public Services (Social Value) Act 2012 need not be applied, although equalities implications and opportunities are identified in the relevant section at paragraphs 12.
- 13.2 Where the key projects that are subsequently developed to deliver the priorities relate to the award of a public service contract, 'social value' will be captured and reported in accordance with the Public Services (Social Value) Act 2012.

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 There are no additional human resource implications arising from this report. The resources needed to deliver the priorities should be considered through the Corporate Business Planning process.
- 14.2 The Corporate Induction includes a session to help new employees understand how their role relates to the corporate priorities. However, during the briefing meetings in preparation for the last Investors in People Assessment (June 2011), it was evident that officers still find it difficult to align their personal objectives with the current priorities.

15. APPENDICES

- 15.1 Appendix A - Draft Corporate Business Planning Timetable for 2014/15.

16. CONTACT OFFICERS

- 16.1 Norma Atlay, Strategic Director of Finance, Policy & Governance Tel 474297; email norma.atlay@north-herts.gov.uk
- 16.2 Liz Green, Head of Policy ' & Community Services, Tel, 474230, email liz.green@north-herts.gov.uk
- 16.3 Fiona Timms, Performance & Risk Manager Tel, 474251 email fiona.timms@north-herts.gov.uk
- 16.4 Jas Lyall, Acting Senior Lawyer, Tel 474370 email jas.lyall@north-herts.gov.uk
- 16.5 Tim Neill, Accountancy Manager, Tel 474461 email tim.neill@north-herts.gov.uk
- 16.6 Liz Goddard, Learning & Development Manager, Tel 474580 Email liz.goddard@north-herts.gov.uk