

KEY NATIONAL & LOCAL DRIVERS FOR MEDIUM TERM PLANS**National**

The public sector is facing severe financial cuts over the next 4 years, although these vary between departments, on average these represent 20% cash cuts, which is close to 30% real cuts after allowing for inflation. Local Government will see a real 28% reduction in funding over the period, which equates to about 7% a year. It should be noted that only about 30% of the Council's non schools funding comes from Government grants (and business rates redistribution) but Local Authorities are being given a financial grant (as announced in the CSR) to pay for the cost of freezing Council Tax in 2011/12.

Changes in Government Legislation and regulation are a key issue following the national elections and the creation of the Coalition Government with its radical change agenda. Changes include:

- Creation of Academies – creation of new Academies largely free from LA control with immediate effect – schools go through a relatively fast application process that can take only a few months
- Reform of Health – including demise of PCT's by 2013 and requirement for all delivery functions, including Community Health, to be arms length in 2011/12
- Removal of Quangos such as the RDA, creation of Local Enterprise Partnerships (at sub regional level such as the West of England), removal of large parts of the performance monitoring regime, removal of the Audit Commission etc.
- Review of Local Government finance over the next 12 months but in the meantime removal of ring fencing from most Government grants to local authorities but excluding public health and a simplified schools grant.
- Localism reforms to encourage more local decision making, greater transparency, reform of the way decision get taken in LA's, local referenda for any excessive Council tax increases and various 'Big Society' initiatives
- Incentives such as national funding to encourage better integration between health and social care (with the latter seen as a means of preventing or reducing demands on health) also real financial implications of not reducing carbon usage and, as already noted, a financial incentive to freeze Council Tax in 2011/12
- Tightening of Benefits rules and move towards one unified benefits system (Universal Credit – also in the CSR) over 10 years but with capping of benefits being led by LA's from 2013 as a first move.

Local**Financial**

To accommodate this in the financial planning for Bath & North East Somerset Council each department has been give a cash savings base target and stretch target for 2011/12 of about 5% and 10% respectively (based on gross spend – the figure based on net spend is about double this percentage).

The assumption is that similar targets will apply in the following year (2012/13) with a slight improvement in the year after that. Modelling of increases in unavoidable demand will be needed to ensure that over time individual services are not disproportionately affected. Services such as health and social care will be affected disproportionately as a result of the ageing population although additional Government funding is being introduced (as announced in the CSR) to at least partially recognise this.

These targets for savings relate to gross expenditure (excluding schools). Each service block is focusing on savings in all costs including staffing and procurement. In addition proposals need to reflect fair charging so that there are no hidden subsidies applying to services that should be properly charged for

Strategic & Performance

- The local Sustainable Community Strategy (SCS)
 - The high level overarching strategic plan for Bath & North East Somerset
 - the strategy and targets for the local partners on the local strategic partnership - public sector, business, voluntary and community - and covers the period up to the year 2026
 - this was reviewed last year but will not be updated again until after the local elections
 - aspects of this strategy are reflected in work that takes place at West of England level mainly in respect of land use planning, housing, waste and infrastructure such as transport
 - the West of England partnership may become a Local Enterprise Partnership and such a partnership is being considered (at sub regional level across the country) as a result of the demise of the Regional development Agency in 2012 and the need for effective working with local business and promotion of sustainable growth
 - see below for more details about the SCS
- Local Development Framework
 - The land use planning strategy that flows from the SCS and which is being considered by Council in December
 - The Regional Special Strategy has been scrapped and so is no longer relevant for this framework
- Performance Targets
 - LAA targets which were derived from the SCS and negotiated with National Government have now been scrapped
 - Reward grant is due for partial achievement of LAA1 – about £500K evenly split between capital and revenue, there will be no more reward grant
 - National Performance Indicators are also being replaced - local targets are being encouraged and a new national benchmarking approach is being developed
- The Corporate Plan
 - This interprets the Sustainable Community Strategy from a Council perspective and articulates the Council's priorities
 - No changes are being proposed until after the local elections
 - The New change programme as set out in the November Council report will be one of the main drivers for the Council
- The Council's change programme
 - The plan to transform the Council so that it can meet the challenges arising from:
 - joining up public services - so that strategic planning, community engagement and customer interaction is simpler and even more effective
 - designing services around the needs of individual customers - to remove waste, provide choice and improve customer satisfaction
 - meeting the stringent financial challenges - that are facing local government as the squeeze on public expenditure starts to bite.
 - As indicated elsewhere this programme now reflects new Government legislation, draft legislation and various other new initiatives and published guidance
- Demands placed on the services including demographic changes and consultation feedback
 - Increasing demands on Social Care and Child Protection services remain a concern and more modelling is required to understand the longer term implications
- Levels of performance compared with priorities
 - The Comprehensive Area Assessment has been scrapped as has the Use of Resources assessment
 - The council is in the process of reviewing and simplifying its performance Framework

- The Audit commission (until 2012) will simply report on probity matters including the annual accounts as well as giving an opinion on value for money

Sustainable Community Strategy

The Council is working in partnership with public bodies, business and community organisations through the Local Strategic Partnership. The high level strategy for the area and for all the organisations in this partnership is the Sustainable Community Strategy which has just been refreshed.

The Sustainable Community Strategy identifies 6 key issues which we need to address as a community over the next 20 years. They are

- The causes and effects of *climate change*
- The impacts of *demographic change*
- The need for *growth*
- *Inequalities* in our communities
- A focus on '*thinking local*'
- The impact of recession on our *economy*

The Council's priorities flow from the Sustainable Community Strategy and are set out in its Corporate Plan:

- Improving transport and the public realm
- Building communities where people feel safe and secure
- Addressing the causes and effects of climate change
- Improving the availability of affordable housing
- Promoting the independence of older people
- Improving the life chances of disadvantaged children and young people
- Improving school buildings
- Sustainable growth