

Division(s): N/A

PERFORMANCE SCRUTINY COMMITTEE
8 January 2015

Service & Resource Planning
2015/16 to 2017/18

Report by the Chief Finance Officer and Head of Policy

Introduction

1. On 18 December 2014, this Committee considered the draft budget proposals for 2015/16 – 2017/18 to address shortfalls in funding and other emerging pressures over the medium term. This report sets out the other elements relevant to the Service & Resource Planning process; the Corporate Plan, corporate performance indicators, the capital programme proposals for 2015/16 – 2018/19, updated transport asset management plan and a draft treasury management strategy.
2. The following annexes are attached to this report:
 - Annex 1: Draft Corporate Plan
 - Annex 2: Corporate Performance Indicators (to be circulated separately)
 - Annex 3: Capital programme:
 - a) Draft Highway Asset Management Programme 2015/16
 - b) Capital proposals 2015/16 – 2018/19
 - Annex 4: Draft Treasury Management Strategy Statement and Annual Investment Strategy for 2015/16

Corporate Plan

3. This year's Corporate Plan has undergone a light touch update. Updates have focussed on:
 - a) What we have achieved in the last year
 - b) Where we plan to focus our activity in the coming 12 months.
4. Any new text is highlighted.
5. There has also been a general update of statistics and data, to bring the plan up to date.

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6. Sections on Talking Oxfordshire and Flooding have been replaced by sections on Connecting Oxfordshire and 'Success Stories' which highlight the awards the council has won in the last year.
7. Updates relating to Finance will be made once the budget has been agreed (these are shown in underlined italics).
8. It is now a three year plan, reflecting the Medium Term Financial Plan period.
9. The key themes and objectives have stayed the same, as below.

Our ambition: A Thriving Oxfordshire
This means having: A Thriving Economy Thriving People and Communities A Safety Net
The county council's role in delivering this ambition: Providing Community Leadership Working in Partnership Helping People to Help Themselves

10. The layout/design of the plan will remain the same, with just a refresh of the images on the cover.

Corporate Performance Indicators

11. The corporate performance indicators proposed for 2015/16 have undergone a light touch update, ensuring that indicators reflect the core business of each directorate as set out in their business strategies and the Council's priorities as set out in the corporate plan. Updates have focused on:
 - a) Strengthening our focus on safeguarding vulnerable adults
 - b) Reducing waiting times for care and support
 - c) Support to carers
 - d) The introduction of the Multi Agency Safeguarding Hub
 - e) Strengthening our focus on safeguarding children
 - f) Growth, particularly through the provision of apprenticeships and the use of developer funding
 - g) The implementation of the support transport programme
 - h) The introduction of the energy recovery facility and the impact on wider waste management.
12. There has been no change to the education and attainment indicators.

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13. The Performance Scrutiny Committee is asked to note that some of the amended indicators will continue to be refined to ensure that they are SMART. For all indicators, the targets for 2015/16 will be subject to revision at the end of the current year. This is to ensure that appropriate targets can be set based on the year end position and to take account of predicted drops in performance resulting from the impact of implementing savings proposals.

Capital Programme

14. Asset management plans underpin the Council's capital strategy. The Asset Management Plan sets out the role of the Council's property assets in meeting strategic objectives and the business strategy. The Highways Asset Management Plan sets out the prioritisation for investment in highway infrastructure. It is proposed not to update the Asset Management Plan until the budget is agreed and the service implications that arise can be incorporated into the plan. An updated Highways Asset Management Plan was approved by Cabinet in September 2014. The proposed two year Highways Asset Management Programme of works is attached at Annex 3a.
15. The funding assumptions within the capital programme have been revised and an extra year included for 2018/19. This includes an increase in funding arising from the Highways Maintenance allocations announced in December 2014. The Department for Transport announced a six year allocation, 2015/16 to 2020/21, with the final three years being indicative as formula data will be refreshed at that point. The allocations up to 2018/19 have been included in the capital programme. In addition, the un-ringfenced grant allocation for Adult Social Services has been removed from 2015/16 onwards as the allocation will become ringfenced as part of the Better Care Fund.
16. The table below summarises the estimated funding available for allocation and the current known pressures. Further details on the funding position and capital proposals are set out in Annex 3b.

	£m
Estimated Funding Available:	
Additional estimated funding up to and for 2018/19	29.7
Capital receipt pressure	-1.3
Release of earmarked reserves	7.3
Use of the rolling fund within the capital programme	6.3
Total Estimated Funding Available	42.0
Funding Requirement:	
Contingency	-7.3
Statutory Requirements	-18.0
Other new pressures/proposals	-16.7
Total Funding Requirement	-42.0
Total Surplus(+)/Shortfall(-)	0.0

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17. The funding allocations for Education Structural Maintenance are yet to be announced. This is the only notification outstanding.

Treasury Management Strategy

18. Treasury management is the management of the council's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.
19. The prime objective of the council's investment strategy is to maintain capital security whilst ensuring that there is the necessary liquidity to carry out its business and only once these have been satisfied should the return on the investment be considered.
20. How the Council intends to work within this framework is set out in the Treasury Management Strategy Statement and Annual Investment Strategy for 2015/16 (Annex 4). It sets out, amongst other things the investment strategy for the Council's temporary cashflow surpluses. It also sets out the council's expectation for interest rates and highlights the uncertainties and risks in the forecast.
21. As Accountable Body to the Oxfordshire Local Enterprise Partnership (OxLEP), the Council has agreed to borrow up to £36.5m from 2015/16 onwards to fund a range of projects that are priorities for the OxLEP and the council. The majority of the projects are being delivered by the Council. The borrowing will be repaid by the retained business rates of the Enterprise Zone.
22. As part of the service & resource planning process for 2015/16 the Council is required to approve a set of prudential indicators which show that the Council's borrowing is prudent, affordable and in line with the Council's treasury management strategy. It is too early in the Service & Resource Planning process to calculate draft prudential indicators but they will be included in the draft Treasury Management Strategy Statement and Annual Investment Strategy for 2015/16 that is considered by Cabinet on 27 January 2015.

Next Steps

23. The comments from this Committee on the Corporate Plan, the corporate performance indicators, highways asset management programme, capital proposals, and the draft Treasury Management Strategy Statement and Annual Investment Strategy for 2015/16 will be fed back to the Cabinet for it to take into consideration in proposing the Corporate Plan, performance indicators, revenue budget, 2015/16 – 2017/18 MTFP and capital programme on 27 January 2015.

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24. The Council will meet to set the budget and council tax requirement for 2015/16 on 17 February 2015.

Financial and Legal Implications

25. This report is mostly concerned with finance and the implications are set out in the main body of the report.

RECOMMENDATION

26. **The Performance Scrutiny Committee is invited to consider and comment on the draft corporate plan, the corporate performance indicators, highways asset management programme and capital proposals for 2015/16 – 2018/19, and the draft Treasury Management Strategy Statement and Annual Investment Strategy for 2015/16.**

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