

Report of the Director of Resources

Medium Term Planning Framework

1 Purpose of report

To outline the planning challenges and pressures the Council faces over the medium term and to propose a framework to use to ensure robust service and financial planning and delivery whilst facing these challenges.

2 Executive summary

This report provides an update on the current financial planning process and also proposes a frame work to use to refresh the Council plan priorities and to provide a robust planning process to ensure the Councils resources are focussed on its key priorities going forwards.

Financial updates on assumptions and figures will be provided in July, following on from the spending review announcement for 2015-16 due later in June. This report concentrates on the planning process to meet the current known financial challenges and those that may also arise following the spending review announcements.

3 Appendices

Appendix 1 : The Strategic planning framework

4 Proposed action:

4.1 The committee is invited to RESOLVE to note the planning framework proposed and shown in Appendix 1

5 Background

5.1 The medium term financial strategy (MTFP) presented to Council in February 2013 highlighted the need to change the way services were delivered to ensure the Council manages and delivers a balanced budget for the future, with out the reliance on reserves to support it.

5.2 The assumptions and estimates in that report need to be revisited and updated to establish the current financial position. The spending review 2013 will be announced later in June and as such a fully refreshed MTFP will be presented to this committee in July.

5.3 However the figures for 21014-15 will not be fundamentally changed by this and the gap in funding remains at approx £2 million.

- 5.4 This report concentrates on the planning framework to be used to ensure the Council has considered all the options for service delivery and that the budget for 2014-15 is robust and affordable, whilst delivering the Councils core purpose and priority outcomes over the medium term.

6 Discussion

- 6.1 The Council needs to ensure it has an effective method to plan, develop and deliver services that are focussed on meeting the corporate priorities and the needs of the local people and communities in a sustainable way.
- 6.2 There needs to be a clear understanding of the councils approach to planning, outlining what is expected, when it is expected and by whom.
- 6.3 An integrated approach to both corporate and financial planning is needed to ensure that the resources available are focussed on delivering the core purpose and priority outcomes determined by the council.
- 6.4 The council has transformed significantly over the recent years and there is clear evidence that firm foundations have been put in place to take the council forwards. The focus now needs to be to build on those foundations to help the council face what will definitely be some difficult choices.
- 6.5 The ZBB proposals and suggestions over the last 3years have already considered and agreed to the quick wins and the typical “low hanging fruit” ideas to reduce the level of finance needed to continue to provide services to the local community. This has also involved the use of some reserves to maintain the level and range of services provided, during a period of difficult financial and economic challenges.
- 6.6 The next financial settlement is likely to be equally as severe, if not more so, for local government. This coupled with the reduced level of reserves available to support the budget means that a robust and clear plan for the use of this scarce financial resource is needed.
- 6.7 The council’s corporate plan covers the current year but needs to be refreshed for 2014-15 onwards. This is an excellent time to set clear priority outcomes for the next 4 years to ensure the needs of both the council and the community it serves are met and sustained within the resources available . this will enable the council to respond proactively to the changing local government agenda both locally and nationally.
- 6.8 A suggested strategic planning framework is attached at Appendix 1.
- 6.9 The framework brings together the need to have the council’s vision and core purpose clearly outlined, and underpinned by the plans and customer outcomes for the service areas.
- 6.10 Whilst finance and public sector funding issues are key considerations the focus should be on delivering the outcomes needed, within the financial constraints, and to improve on services where possible.
- 6.11 Performance management and monitoring on delivery of services is therefore another key element of the framework.
- 6.12 Radical changes to the current working arrangements and service delivery models will need to be considered to reduce costs and drive further efficiencies and improvements. This will ensure the council is in a strong position to shape and future-proof the services it delivers for its communities. Engagement and consultation of all stakeholders and interested parties will be key to its success.
- 6.13 The council will need to build and strengthen its relationship with both its current

and new partners and also the local communities and voluntary sector organisations.

- 6.14 These groups will be instrumental in delivering services in the future and the council needs to consider devolving power and responsibility, whilst removing barriers that prevent people getting involved. The Localism act and the power of general competence have now opened up new freedoms and options for the council to explore. Communication and consultation on these options is therefore essential with all those involved.

7 The Planning process

- 7.1 The planning process must begin with a clearly defined vision and core purpose, supported by priority outcomes, which are measured and monitored to ensure they are being achieved. These are the things that drive our decisions and determine the results we want.
- 7.2 There will inevitably be risks and challenges that potentially will prevent the delivery of these outcomes, the financial constraints being a major one of these. These risks need to be managed and mitigated where possible.
- 7.3 The key to ensuring that the plans developed are robust and sustainable is identifying the opportunities we can embrace and the proposals for change that these bring with them. These will help us deliver the results outlined in the corporate vision.
- 7.4 These proposals for change drive the service delivery and action plans, and reflect the level of resources available. There will be a need to manage these actions, monitor their performance and review them where necessary to ensure the overall vision is delivered, focussing resources on the key outcomes needed. Performance management needs to be maintained to ensure the council is on track to deliver the results it needs.

8 The next steps

- 8.1 A sound planning process needs clear leadership, direction and a sense of purpose to succeed. An initial “members’ priorities” planning meeting was held in October 2012 and further will be done to build on that in the coming weeks.
- 8.2 This meeting started the planning process and provided the political leadership and ownership that will be crucial to its success.
- 8.3 Further engagement of both members and officers will be needed over the coming months. As a result a number of service delivery options and proposals will be generated and agreed upon for wider consultation.
- 8.4 This will then feed the refreshed council plan and medium term financial strategy, which will be presented back to committee later in the year.
- 8.5 The committee is therefore asked to note the planning approach and framework to be used.

9 Legal powers

The council sets its budgets in accordance with the requirements of the Local Government Act 1972 and subsequent legislation

10 Financial and value for money implications

None arising directly from this report

11 Risk analysis

The risks of not engaging with the financial planning process are serious and significant. This report is, however, merely descriptive as to the approach to be taken.

12 Implications for resources

None arising from this report

13 Implications for stronger and safer communities

None arising from this report

14 Implications for equalities

None arising from this report

15 Author and contact officer

Liz Elliott, Head of Finance

16 Consultees

John Campbell, Chief Executive
Richard Micklewright, Director of Resources

17 Background papers

Financial planning files

The Borough Council Of Wellingborouh

Strategic Business Planning Framework

February 2013

Background

In responding to the current financial challenges, the Council has identified the need for a joined up, integrated approach to business planning and performance management. We must approach our business planning with rigour and work within a clearly defined, streamlined process that fully integrates all elements of the business planning cycle.

The aim of this document is to describe a new model for our future business planning, which not only draws on good practice, building on the foundations that already exist, but also fully integrates all elements of the business planning cycle

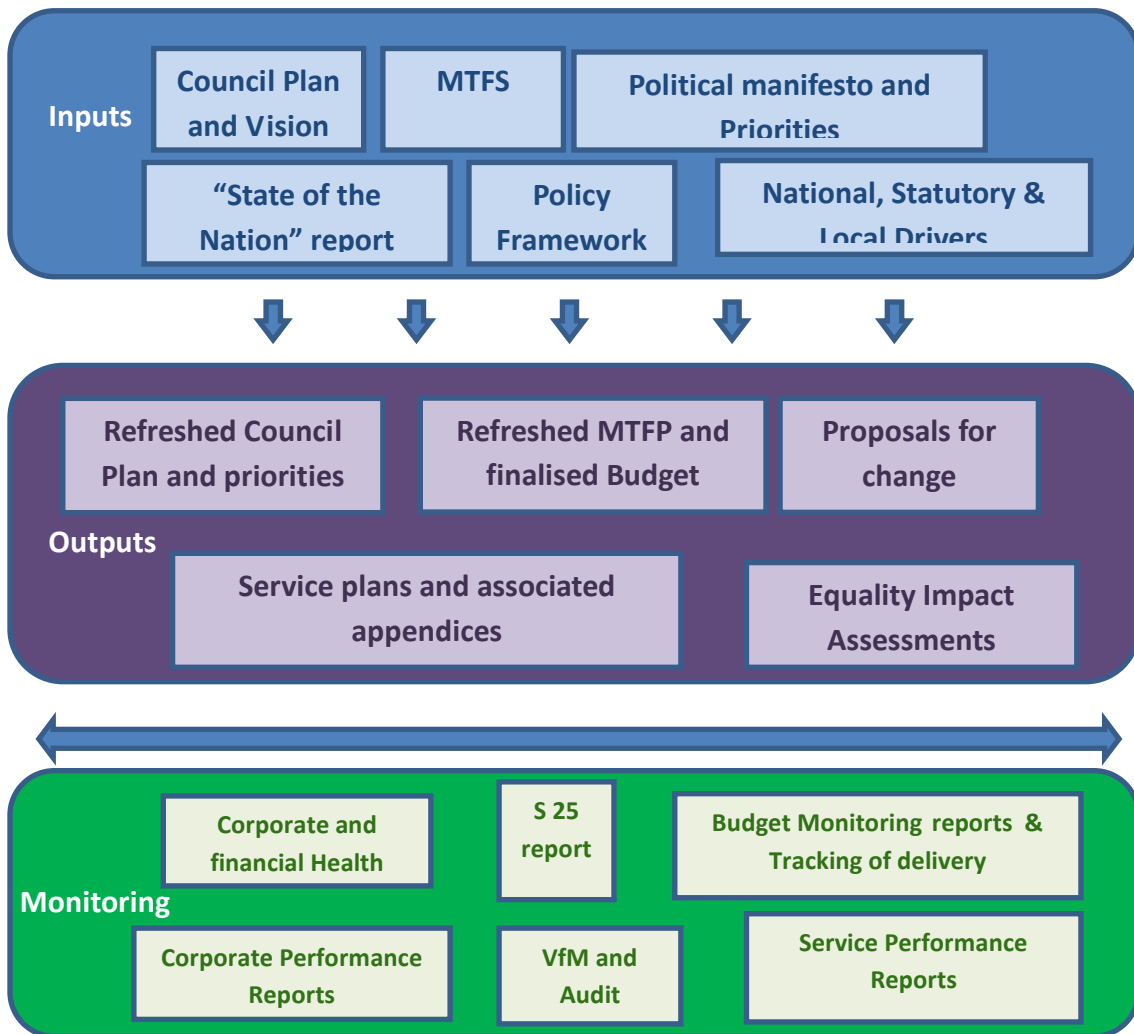
We must also be determined to hold people to account for their performance against the Council's priorities and Council Plan at a directorate, service and individual level. Through establishing an agreed, efficient process, we can ensure that there are the mechanisms in place for this accountability, including the use of Corporate and Directorate Key Performance Indicators.

Strategic Business Planning Framework

The proposed Strategic Business Planning Framework will comprise of a number of existing documents, tools and methodologies. The aim is not to replace these documents, but instead make links between them, capturing them in one place and describing the role that they have within the Business Planning Cycle.

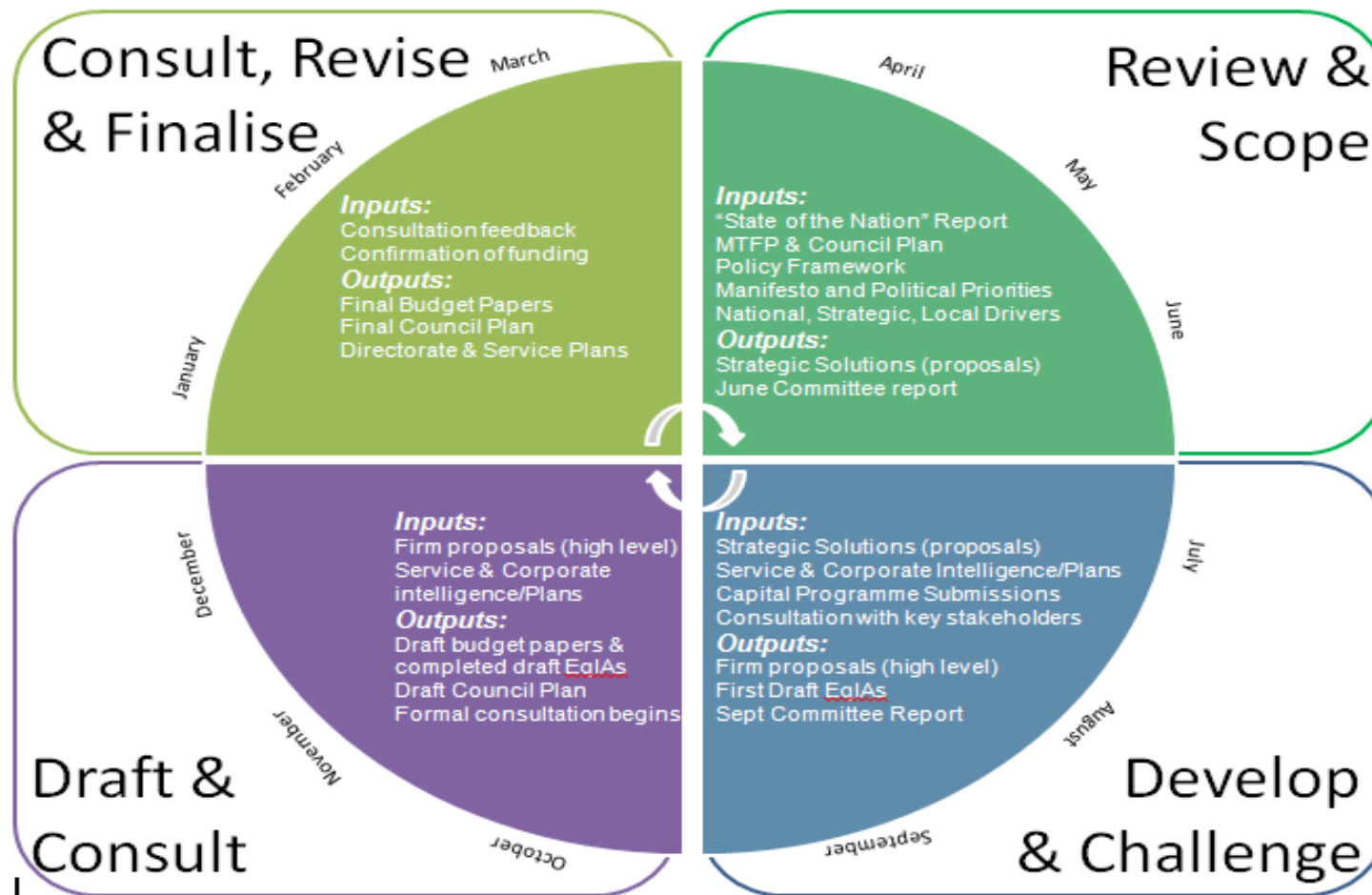
The diagram below describes the key components of the framework and provides a descriptor as to whether they feed in to the business planning process (inputs); are a product of the process (outputs) or are a tool that we use to measure our success and progress (monitoring).

Strategic Planning Framework - components



Business Planning Cycle

The diagram below depicts the business planning cycle, shown in four phases from April through to March in any given year and identifies the key inputs and outputs during each phase.



Roles & Responsibilities

Committees & Full Council

- To undertake the decision-making role in line with Council's Constitution

Corporate Leadership Team, Administration Leadership and Authority leadership Groups

(CLT = CMT + Leader and Deputy leader, **Administration leadership Group** = CLT plus chairs and deputies of Committees, **Authority Leadership group** = CLT plus chairs and deputies of Committees and the leadership of the opposition ???)

- To provide strategic and political direction and to challenge during the "Strategic Solutions" sessions
- To act as the decision making body in terms of what goes forward for Committee approval and adoption at Full Council

Corporate Management Team

- To consider the current and future organisational positions, utilising the State of the Nation report
- To agree on strategic level priorities and proposals to put forward to CLT
- To engage members, the organisation and other key stakeholders in the changes
- To ensure that the revised Council Plan, service plans and budget papers are agreed and signed off in a timely manner

Directors and/or Heads of service

- To undertake a strategic, corporate role in business planning, examining and reviewing agreed corporate performance and supporting the Chief Executive to set the forward direction of the organisation
- To consider their service and cross-cutting priorities and prepare for "Strategic Solutions" Challenge sessions
- To consider their service performance against the Council's agreed priorities and outcomes
- To engage their Principle Managers and officers at appropriate points in the process
- To ensure timely production of high quality service plans that are linked to their roles in delivering key outcomes and have clear Key Performance Indicators
- To engage with each other to ensure that any cross-cutting responsibilities are agreed and clearly documented within the service plans and that officers understand this

Corporate Planning

The role of Corporate Planning in the business planning cycle is as follows:

- To be the guardian (on behalf of the Chief Executive) of the business planning process, acting as a coordinator in all aspects
- To pull together a picture of the organisation in terms of customer segmentation; need; past performance; future performance predictions and any other useful Business Intelligence the authority collects
- To produce a "State of the Nation" report to feed into the first phase of the process
- To review and refresh strategic documents such as the Council Plan and Strategic Business Planning Framework to ensure that they remain up-to-date and fit for purpose

- To monitor and advise on the production of service plans
- To provide in-year monitoring of performance and analysis of impacts

Finance

- To provide technical analyses, financial modelling and funding models
- Development and maintenance of detailed financial templates
- Overall architect of final, published budget papers
- S151 Responsibility
- S25 Monitoring Report

Heads of Service and/or Principle Managers

- To represent their services at “Strategic Solutions” sessions, providing detailed information in relation to the proposals
- To consider their service’s performance against the Council’s agreed priorities and outcomes
- To ensure that Equality Impact Assessments are produced at the start of the process of developing a proposal and that the process is followed, ensuring that timely, high quality assessments are produced with mitigating actions being taken into account
- To produce service level plans in a timely manner, that are aligned to the Councils overall plan and capture any cross-cutting work that may be undertaken within their area and include Key Performance Indicators
- To engage with officers and ensure that service level objectives and outcomes filter down into PDR objectives

All other officers

- To feed relevant information to Principle managers and Heads of service during the first phase of the business planning process (April to June) that will allow local needs to be ascertained and the State of the Nation report to be built upon
- To consider the golden thread between the Council Plan, Service Plans and their own PDR objectives