

## **Manchester City Council Report for Resolution**

**Report To:** Resources and Governance Overview and Scrutiny  
Committee – 7 January 2010

**Subject:** Business and Budget Planning 2010/11

**Report of:** Deputy Chief Executive (Performance)  
City Treasurer

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### **Summary**

The purpose of this report is to provide an update on the Council's Business and Budget Planning process and to outline suggested lines of enquiry for the review of those business plans identified by the committee for review at their December meeting.

### **Recommendations**

That the Overview and Scrutiny Committee:

- Consider the suggested lines of enquiry for the review of the relevant business plans outlined in this report
  - Note the plans which are being reviewed by each Overview and Scrutiny Committee.
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### **Wards Affected:**

All

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## 1. Introduction

- 1.1 Business planning is a key part of the Council's performance management framework. Its purpose is to align service priorities and resources with the aims and objectives of the Council. Through their business plans, all services should demonstrate and evidence their contribution to the delivery of the Community Strategy and the Local Area Agreement.
- 1.2 The availability of good business plans is fundamental to understanding the key issues, priorities and direction of travel for all service areas. It is also a key element to obtaining a good outcome for the organisational assessment, which contributes to the Council's overall annual Comprehensive Area Assessment.
- 1.3 At their December meetings, all Overview and Scrutiny Committees considered the plans for review in January 2010. The following table confirms the plans selected by each Committee.

Overview and Scrutiny Committee	Plans Selected for Review
Children and Young People	Children's Services
Communities and Neighbourhoods	Strategic Housing Street Management Leisure Planning
Economy, Employment and Skills	Regeneration / Urban Policy Adult Education
Citizenship and Inclusion	Crime & Disorder Children's Services (Equalities Plan) Strategic Housing (Equalities Plan)
Resources and Governance	Leisure Communications
Health and Wellbeing	Adult Social Care Joint Health Unit

## 2. Business Planning and Budget Setting Process for 2010/11

- 2.1 The Business Planning process for 2010 is more rigorous than in previous years in light of the more difficult financial challenges faced by the organisation. This year's Business and Budget Planning process is designed to improve the way in which the Council considers the entirety of its expenditure, rather than simply growth and reduction at the margins. The approach is underpinned by a sustained focus on the city's vision and priorities for improvement as set out in the Community Strategy and LAA.

- 2.2 Within the overall context of the Community Strategy priorities, areas of focus for this year's budget and business planning process have also been developed in the form of a series of policy and financial objectives. These are:

#### Policy Objectives

- To support the delivery of the Community Strategy, with specific focus on addressing the areas of:
  - 0-5's
  - Worklessness and Skills
  - Neighbourhood Focus
  - Economic Growth
  - Housing
  - Environmental Strategy – the 'Green Agenda'
- To work with services within and beyond the Council
- To work within the corporate improvement framework, i.e.;;
  - People Strategy
  - AIM (Analyse and Improvement Manchester)
  - Customer Focus
  - Neighbourhood Focus
  - ICT and Information Strategies

#### Financial Objectives

- To understand spend and the relationship between cost and performance.
- To be best on value for money.
- To understand deprivation related spend and how the impact of that spend on outcomes might be improved.

- 2.3 Each Business Plan articulates the priorities for the service, what it aims to achieve and outlines the resources it will use to deliver its objectives in support of the overall objectives of the Council. This year, services have also been asked to consider in broad terms options for addressing the priorities outlined in the above policy and financial objectives over the medium and long term. Business Plans are therefore background documents to support the production of the Council's budget for 2010/11 and also the Medium Term Financial Strategy and Capital Programme for 2010/11 to 2012/13.

- 2.4 To support options for change on a cross-cutting basis, the AIM (Analyse and Improve Manchester) process is driving out a "One Council" approach to improving services and achieving efficiencies. AIM is a cross-cutting programme of work that focuses on realising savings and efficiencies across that Council that can be achieved by smarter ways of working, taking a joined up approach to service delivery, which is better supported by innovative technology. It focuses on reducing duplication across the organisation and enabling a 'One Council' approach to interacting with Manchester residents, focusing resource on frontline services and reducing back office processes. The programme is being undertaken hand-in-hand with services across the

Council, with DoT driving and co-ordinating a more efficient, value for money approach to cross-cutting initiatives.

- 2.5 2010/11 will therefore form the platform for delivering the significant efficiencies that will be required in 2011/12 and beyond. It should be noted that there remains a considerable level of uncertainty about the level of resource the council will receive after the current spending review period ends.
- 2.6 For the business planning and budget process this means the focus of the next Medium Term Financial Plan (MTFP) will be on ensuring we deliver a balanced budget in 2010/11. During January the Directorate of Transformation will be finalising its work with the council, through the AIM work, to identify how and where the significant efficiencies that will be required for 2011/12 and 2012/13 will be achieved. Whilst this will not feed directly into the next MTFP, and will not be included in the draft Delivery Plans, it will have a significant impact on the strategy for the future. It is therefore likely that there will be a process to refresh the MTFP prior to the start of the business planning and budget process for 2011/12.
- 2.7 As in previous years, there will be a period of consultation on the budget proposals made by the Executive. The public will be invited to comment on a consultation document and be afforded the usual range of methods of responding (in writing via the internet and via a dedicated phone line) during January 2009.
- 2.8 Members of Overview and Scrutiny Committees play a key role in the budget setting process by commenting on the budget proposals made by the Executive.

### **3. Business Plans**

- 3.1 Draft business plans for the services identified by the committee at its December meeting are attached. Set out below is some additional context for each, highlighting some of the key issues that have been considered in the development of plans.
- 3.3 Communications  
Communications provides a range of support services to the organisation and partners as well as some external customers. Immediate customers include predominantly Manchester City Council departments and services, members, partners or third party organisations and our end customer is predominantly residents of Manchester, businesses, visitors and City council employees.
- 3.4 The four services have only recently been grouped into a single integrated service which was constructed when the Director of Communications was appointed at the end of January 2009. A Blueprint Communications Strategy was presented to Resource and

Governance Overview and Scrutiny Committee in July. This strategy addresses the shape and direction of the communications across the council and creates the platform for improvements needed in the short term as well as the long term.

3.5 The communications changes are not solely driven by a budget process and there is still further work to do, however the business plan starts to discuss the immediate changes and the team's ambition for the next three years as part of the business planning framework.

3.6 Leisure

Opportunities for how the service will be delivered within the parameters of the Council's policy and financial objectives, including options for investment and disinvestments, have been explored

3.7 Three opportunities for investment and or disinvestments have been identified and are as follows:

- Reviewing the Business Plan of Heaton Park to unlock its commercial potential and untapped efficiencies to increase profitability and strengthen partnerships to deliver more for less.
- Reviewing Manchester's public green space management arrangements to improve the consistency and quality of delivery to all areas of green space, drive up grounds maintenance standards, improve value for money and improve the visual environment of Manchester.
- Reviewing indoor leisure stock to improve the strategic planning and location of sport and leisure facilities, increase participation in sport and leisure, improve resident satisfaction with sports provision, and increase profitability and strengthen partnerships to deliver more for less.

**4. Suggested Lines of Enquiry**

4.1 To support the scrutiny of Business Plans, the Overview and Scrutiny Co-ordinating Group, have developed a set of suggested lines of enquiry for scrutiny of business plans;

- Have all relevant service priorities been identified?
- Will the activities identified lead to the delivery of better quality services?
- Are appropriate actions in place to address the challenges that the service will face?
- Does the service demonstrate that it will maximise the impact of the resources available to it?

- Does the content of the business plan reflect Council priorities or are there better alternatives to focus resources on?
- How have requests under the Neighbourhood Funding Strategy been incorporated into the Business Plan?
- How will the workforce plan help to achieve the service objectives?
- How does the business plan demonstrate that the service is delivering value for money?
- How does the business plan demonstrate that the views of residents/customers have influenced the objectives or outcomes for the service?
- Has the business plan identified the key risks facing the service and how these will be managed?
- How is the service planning to deliver its savings targets?
- How robust are any proposals for budget growth included in the plans?

## **5. Next Steps**

- 5.1 Resources and Governance Overview and Scrutiny Committee will also be looking at the whole of the budget at its special meeting in February. This will include consideration of issues raised by other Scrutiny committees, the Opposition group and through the public consultation.
- 5.2 Members are reminded that the Business Plans are still draft and are not scheduled to be finalised until March 2009. The contents and priorities in the plans therefore may change as a result of the budget setting process, as the level of resources allocated to each service area will determine the services it is able to deliver.