

## **MANCHESTER CITY COUNCIL**

**COMMITTEE:** Resources and Governance Overview and Scrutiny Committee

**DATE:** 11 December 2008

**REPORT OF:** The Chief Executive and City Treasurer

**SUBJECT:** Budgets and Financial Plan – Business Plans

### **PURPOSE OF REPORT**

The purpose of this report is to outline the Council's business planning process and inform Members of the plans which relate to each Overview and Scrutiny Committee.

### **RECOMMENDATION**

That the Overview and Scrutiny Committee:

- 1) Note the budget and business planning process outlined in this report
- 2) Note the plans which relate to each Overview and Scrutiny Committee
- 3) Consider the suggestions of the Overview and Scrutiny Co-ordinating Group to scrutinise one business plan only, in accordance with the suggested lines of enquiry contained within this report.
- 4) Consider additional service analysis information provided in relation to potential future challenges, as requested by the Chair of the Resources and Governance Committee.

### **FINANCIAL CONSEQUENCES FOR THE REVENUE AND CAPITAL BUDGETS**

Business plans are being developed within the framework of the current Medium Term Financial Strategy. The draft plans will influence the 2009/10 budget setting process and the new Medium Term Financial Strategy and Capital Programme for 2009/10 to 2011/12.

### **CONTACT OFFICERS**

Richard Paver – City Treasurer - 0161 234 3564  
[r.paver@manchester.gov.uk](mailto:r.paver@manchester.gov.uk)

Geoff Little – Assistant Chief Executive, Performance - 0161 234 3317  
[g.little@manchester.gov.uk](mailto:g.little@manchester.gov.uk)

Carol Culley – Head of Financial Management - 0161 234 3406  
[c.culley@manchester.gov.uk](mailto:c.culley@manchester.gov.uk)

Forid Meah – Head of Corporate Performance - 0161 234 3049  
[f.meah@manchester.gov.uk](mailto:f.meah@manchester.gov.uk)

### **BACKGROUND DOCUMENTS**

None.

### **WARDS AFFECTED**

All

## **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 quality business plans is a key element to obtaining a good outcome for the organisational, which contributes to the Council's annual Comprehensive Area Assessment.

## **2. Business Planning**

- 2.1 The implementation of the Business Planning process is a key body of work aimed at improving performance management across the Council. This is the process by which Heads of Service:
- Provide strategic alignment and coherence between the vision for the city and the activities of services.
  - Provide clarity of purpose, action and outcome.
  - Enable the effective integration of financial planning and performance management, giving the Council confidence that it is making the biggest impact possible with resources at its disposal and delivering value for money.
  - Secure consistency of approach across the entire organisation ensuring that all services are managed as effectively as they could be.
  - Facilitate the assessment of service impact by client group or geography across the city.
- 2.2 Whilst elements of the process still need to be strengthened, the introduction of Business Plans has brought significant improvements to the ability of the Council to manage its performance and budgets.

## **3. Business Planning and Budget Setting Process for 2009/10**

- 3.1 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. Business Plans are therefore background documents to support the production of the Council's budget for 2009/10 and also the Medium Term Financial Strategy and Capital Programme for 2009/10 to 2011/12.
- 3.2 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.

- 3.3 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. All Overview and Scrutiny Committees will receive a report in January 2009 outlining the budget position.
- 3.4 Overview and Scrutiny committees may also wish to consider selected Business Plans in more detail at the January meetings. To assist Members identify the plans they may wish to consider, Appendix 1 aligns each Business Plan to the remit of each Overview and Scrutiny Committee and therefore members are invited to consider any Business Plan they feel is relevant to their discussion on the budget proposals.
- 3.5 In support of this, 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 contents 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?
- 3.6 In addition, the Chair of the Resources and Governance Overview and Scrutiny Committee has requested additional analysis information on business plans to inform the scrutiny process. These additional lines of enquiry focus on those issues that have the potential to cause significant risks to the service moving forward. They are as follows;
- Which services present the greatest challenges in relation to performance information?
  - Does the service's business plan contain any risks that feature in the corporate risk register?
  - Which services have the greatest exposure to the impact of the economic downturn, as a result of the level of external income they generate?
- 3.7 Following analysis carried out by officers in Corporate Performance and Finance, the following business areas currently meet the above criteria;
- Children's Services: Education
  - Children's Services: Children, Young People and Families
  - Environmental Services
  - Adult Social Care
  - Planning and Building Control
  - Commercial Services
- 3.8 The Resources and Governance Overview and Scrutiny Committee have looked in detail at business planning processes and have found that detailed scrutiny of a business plan involves covering all its aspects. This includes looking at the budget proposals, the workforce plan, identification of risks and proposals under the Neighbourhood Funding Strategy. Therefore, the Overview and Scrutiny Chairs Group commend to all committees that it represents good practice to scrutinise a single business plan in detail.
- 3.9 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.
- 3.10 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.

**Appendix 1: Business Plans 2009/10-2011/12**

<b>Directorate</b>	<b>Business Plan</b>	<b>Lead Overview and Scrutiny Committee</b>
<b>Children's Services</b>	Assistant Directors (Children's Services)	Children and Young People
	Children's Service (Education)	Children and Young People
	Strategy, Performance and Operations	Children and Young People
<b>Chief Executive's</b>	Executive	Resources and Governance
<b>City Solicitor</b>	Legal Services	Resources and Governance
	Statutory Services	Resources and Governance
<b>CX Performance</b>	Corporate Performance and Organisational Development	Resources and Governance
	Crime and Disorder	Citizenship and Inclusion
	Joint Health Unit	Health and Well being
<b>CX Regeneration</b>	Regeneration and Economic and Urban Policy (+NDC)	Economy, Employment and Skills
	Adult Education	Economy, Employment and Skills
	Housing Services	Communities and Neighbourhoods
	Cultural Strategy, Marketing, Visitors	Economy, Employment and Skills Communities and Neighbourhoods
	Cultural Strategy - Events	Communities and Neighbourhoods
	Planning and Building Control	Communities and Neighbourhoods
	Transport Services (inc Engineering)	Economy, Employment and Skills and Communities and Neighbourhoods
	Manchester City Galleries	Communities and Neighbourhoods
<b>Corporate Services</b>	Capital Programme Division	Resources and Governance
	Financial Management	Resources and Governance
	Human Resources	Resources and Governance
	Procurement	Resources and Governance
	Revenues and Benefits	Resources and Governance
	Corporate Property	Resources and Governance
<b>MIP Directorate</b>	Information Communication & Technology Service	Resources and Governance
<b>Neighbourhood Services</b>	Adult Social Care	Communities and Neighbourhoods Citizenship and Inclusion
	Commercial Services	Resources and Governance
	Environmental Services	Communities and Neighbourhoods
	Library and Information Service	Communities and Neighbourhoods
	Library Theatre Company	Communities and Neighbourhoods
	Manchester Leisure	Communities and Neighbourhoods