

**MANCHESTER CITY COUNCIL  
REPORT FOR RESOLUTION**

**COMMITTEE:** Social Strategy Overview and Scrutiny Committee

**DATE:** 13<sup>th</sup> December 2006

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

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

**PURPOSE OF REPORT**

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

**RECOMMENDATION**

Members are requested to:-

- 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) participate in the budget setting process and consider which plans they wish to consider during the budget consultation

**FINANCIAL CONSEQUENCES FOR BOTH THE REVENUE BUDGET AND THE CAPITAL BUDGET**

Business plans are being developed within the framework of the current Medium Term Financial Strategy. The draft plans will influence the 2007/08 budget setting process and the new Medium Term Financial Strategy and Capital Programme for 2007/08 to 2009/10.

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## **BACKGROUND DOCUMENTS**

Manchester City Council Corporate Assessment Report, August 2006 is available from the Corporate Performance, Research and Intelligence Team, Room 3020, Town Hall Extension

## **WARDS AFFECTED**

All

## **IMPLICATIONS FOR KEY COUNCIL POLICIES :**

<b>Anti-Poverty</b>	<b>Environment</b>	<b>Equal Opportunities</b>	<b>Employment</b>
No	No	No	No

## **1.0 Introduction**

1.1 The Council made a number of improvements in relation to performance management during 2005 and early 2006. One of these developments, a new Corporate Plan was considered by Overview and Scrutiny Committees earlier in the year.

1.2 The recent Corporate Assessment by the Audit Commission has given the Council the opportunity to reflect and learn about its current processes and performance. The views of the external inspectors were also helpful in framing how the Council conducts its business in comparison to other similar organisations. Our Corporate Assessment report concluded:-

“the Council has taken steps recently to develop its performance management capacity and is clear what is needed to improve its approach further. However, it is not yet consistently driving improvement across the Council and its partnerships... The Council needs to take a more consistent and systematic approach to managing its performance...[and] strengthen the links between financial planning and service planning.”

1.3 The key lesson from the assessment was that better performance management could do more to contribute to delivering improved quality of life outcomes in the city. The key driver for improvement should be the desire to bridge the gap that currently exists between our ambition as a Council and city, and our ability to deliver that ambition and the impact we are making.

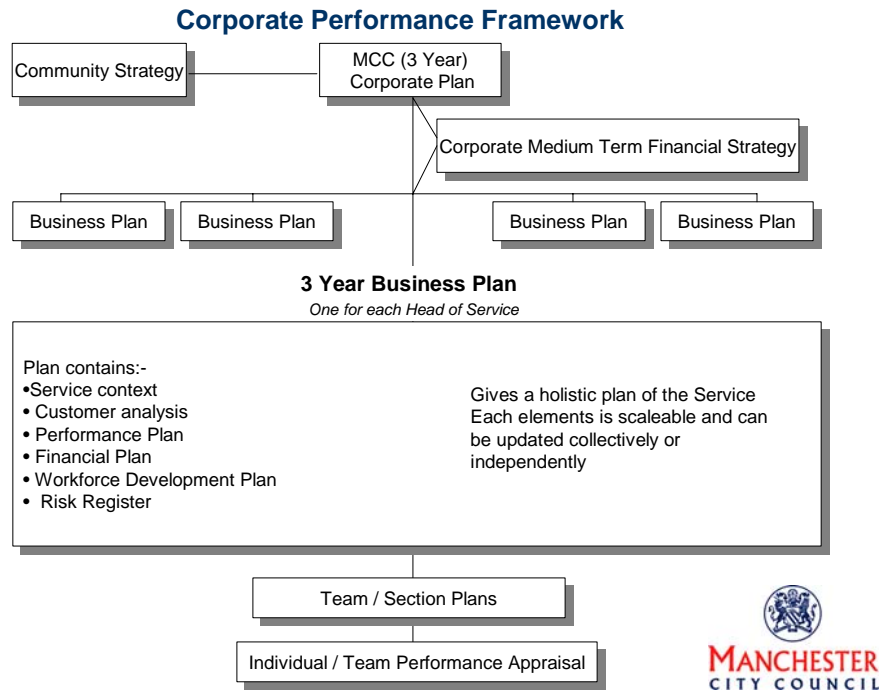
## **2.0 Business Planning**

2.1 A key body of work to improve performance management across the Council is the implementation of Business Planning. This is the process by which Heads of Service:-

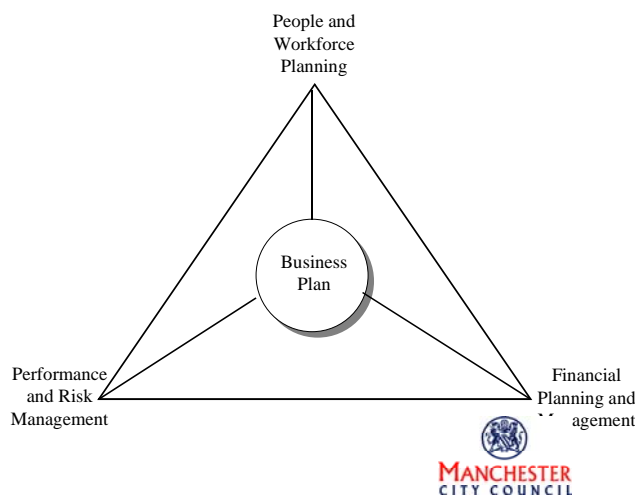
- Provide strategic alignment and coherence between the vision for the city and the activities of services.
- Provide clarity of purpose, action and outcome.
- Enable the effective integration of financial planning and performance management, giving the Council confidence that it is making the biggest impact possible with the 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 The Council has agreed which Heads of Service will produce a Business Plan and these are listed at Appendix 1.

2.3 Business Plans are a major element of the overall performance management framework. As the following diagram illustrates, the purpose of the Business Plan is to show the contribution each service makes to the objectives set by the Council for itself and the city. They also demonstrate how resources are allocated to services in line with the Council's overall financial strategy (the Medium Term Financial Strategy).



2.4 Business planning is also about improvement. The Community Strategy, Manchester Improvement Programme (MIP) and Service Improvement Projects (SIP) within services are the starting point for the Business Plan. Effective and consistent Business Planning across the whole organisation will help the Council deliver the MIP and the Community Strategy by bringing together workforce planning, performance and risk management and financial planning.



- 2.5 Better performance and risk management allows managers to consider the factors that may hinder their ability to deliver their objectives. Improved financial planning and management will enable services to assess value for money and identify how budgets can be prioritised to achieve their objectives. Workforce planning enables the service to ensure that its human resource base supports the delivery of their objectives. Combining these elements together enables a service to make systematic and structured decisions regarding priorities and align all their available resources to support the delivery of their objectives.
- 2.6 The business planning approach was introduced to services this autumn. Over the past two months Heads of Service have been preparing draft plans which set out what they want to achieve over a three year period beginning April 2007. These plans will also be used to support the production of the Council's budget for 2007/8 and its Medium Term Financial Strategy and Capital Programme for 2007/08 to 2009/10.
- 2.7 Business Planning is only one element of wider programme to improve performance management in the Council. However, like many new practices, it will take time for business planning to become firmly embedded and for all aspects of the business plan to reach the same level of quality. The drafts produced by Heads of Service so far were produced in a very short period of time because the new process was introduced mid way through the year. Some aspects of the Business Plan like risk assessment and workforce planning are also new to some parts of the Council and therefore will take time to develop. The drafts produced so far are therefore a good start and will enable further improvement to be made next year.

### **3.0 Business Planning and Budget Setting Process for 2007/8**

- 3.1 Business Plans will help the Council target its financial resources on those activities which deliver the Community Strategy. 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 the budget setting process.
- 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 2007.
- 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 2007 outlining the budget position. To assist their understanding of the budget position, Overview and Scrutiny Committees may also wish to consider selected Business Plans at their 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. The contents of the plans are not exclusive to any single Committee and therefore Members are invited to consider any Business Plan they feel relevant to their discussion on the budget proposals.

- 3.4 Members are reminded that the Business Plans are still drafts and are not scheduled to be finalised until February / March 2007. 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 will determine the services it is able to deliver.
- 3.5 Public responses received to the consultation on the budget proposals, the Executive's budget and any amendments to the budget proposals including those submitted by the Opposition Group will be considered by a meeting of the Finance and General Purposes Overview and Scrutiny Committee in February 2007, so it can formulate its recommendations to the budget setting meeting of Council in March 2007.

#### **4.0 Recommendation**

- 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) participate in the budget setting process and consider which plans they wish to consider during the budget consultation

## Appendix 1: Business Plans And Overview and Scrutiny Committees

	Head of Service	Overview and Scrutiny Committee
1	Head of Legal Services – inc. Assistant City Solicitor (Constitutional Services)	Finance and General Purposes
2	Head of Statutory Services	Finance and General Purposes
3	Assistant Chief Executive (Culture) – inc. Head of Cultural Strategy Head of Marketing and Events Visitor Services	Social Strategy
4	Director of (Manchester) City Galleries	Social Strategy
5	Head of Sports and Leisure Services	Social Strategy & Community Regeneration
6	Head of Libraries and Information Services	Social Strategy & Community Regeneration
7	Head of Regeneration – inc. Head of Urban and Economic Policy	Community Regeneration
8	Head of Planning	Physical Environment
9	Head of Transport – inc. Head of Engineering Services	Physical Environment
10	Head of Executive Office	Finance and General Purposes
11	Head of Adult Education	Social Strategy
12	Assistant Chief Executive (Performance) – inc. Head of Corporate Performance Head of Leadership Development	Finance and General Purposes
13	New Deal for Communities Co-ordinator	Community Regeneration
14	Director of Manchester Health Unit	Health and Well Being
15	Head of Crime and Disorder	Social Strategy
16	Chief Education Officer	Children and Young People
17	Chief Operating Officer (Children's Services)	Children and Young People
18	Assistant Director Children's Services (1)	Children and Young People
19	Assistant Director Children's Services (2)	Children and Young People
20	Head of Contracting Services	Physical Environment
21	Head of Environmental Services	Physical Environment
22	Director of Housing	Community Regeneration
23	Director of Adult Social Care	Social Strategy
24	Director of Hospitality and Trading Services	Finance and General Purposes
25	Head of Financial Management – inc. Head of Procurement Head of Internal Audit	Finance and General Purposes
26	Capital Programme Director	Finance and General Purposes
27	Head of Valuation and Property	Finance and General Purposes

28	Head of Strategic Information and Technology	Finance and General Purposes
29	Head of Personnel	Finance and General Purposes
30	Strategic Head of Council Tax and Benefits	Finance and General Purposes