

## Manchester City Council Report for Resolution

**Report to:** Resource and Governance Overview and Scrutiny Committee -  
10 December 2009

**Report Of:** The Chief Executive and  
City Treasurer

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

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### 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.

### Recommendations

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.

### 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 2010/11 budget setting process and the new Medium Term Financial Strategy and Capital Programme for 2010/11 to 2012/13.

### Contact Officers

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**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 assessment, 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.

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

- 3.1 The Business Planning process for 2010 is more rigorous than in previous years. The approach is underpinned by an understanding of the Council's policy and financial objectives, and a consideration of how services can best respond to the needs of the City's neighbourhoods.
- 3.2 The revised process will help to facilitate better links with the Neighbourhood Funding Strategy (NFS), recognising that it is an integral part to the approach. The business planning process will reflect the proposals put forward through the NFS, ensuring that they are more neighbourhood focused.
- 3.3 The revised Business Planning process will help the Council target its financial resources on those activities which deliver the Community strategy and ensure that budget and business planning processes are fully integrated.
- 3.4 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 2010/11 and also the Medium Term Financial Strategy and Capital Programme for 2010/11 to 2012/13.

- 3.5 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 2010.
- 3.6 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 2010 outlining the budget position.
- 3.7 Overview and Scrutiny committees may also wish to consider selected Business Plans in more detail at the January meetings. At its meeting on 15<sup>th</sup> October, Resources and Governance Overview and Scrutiny Committee received early drafts of business plans for Communications, Leisure, Legal Services and Democratic Services. Attached at Appendix 1 is an extract from the minutes of that meeting to assist the committee in identifying which of these plans they may wish to scrutinise again.
- 3.8 To assist Members identify any additional plans they may wish to consider, Appendix 2 aligns each Business Plan to 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.
- 3.9 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 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?
- 3.10 Resources and Governance Overview and Scrutiny Committee will also receive reports on the inclusion of the Neighbourhood Funding Strategy, Business Continuity and Workforce Planning within Business Plans.
- 3.11 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.
- 3.12 Members are reminded that the Business Plans are still draft and are not scheduled to be finalised until March 2010. 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: Extract from Scrutiny Committee Minutes – 15<sup>th</sup> October 2009**

### **RG/09/61 Business Planning 2010**

A joint report of the Deputy Chief Executive (Performance) and City Treasurer was submitted providing the Committee with an update on the Council's Business and Budget Planning process for 2010-2013. The report also introduced the business plans selected by the Committee at its last meeting, which included Leisure Services, Communications, Legal Services and Democratic and Statutory Services.

The Assistant Chief Executive (Performance) explained that a revised and strengthened business planning process was in place to support the Council to continue to achieve its objectives in the new, more challenging financial climate. The City Treasurer commented that a report would be brought to the Committee in December setting out a more detailed picture of the influences on the budget for next year.

#### **Leisure Services**

The Head of Leisure Services introduced the service's business plan which included indoor leisure, sport, sporting events and outdoor leisure (encompassing parks, open spaces and allotments.)

A member commented that a number of open green spaces in housing areas had not been developed to their potential. The Head of Leisure commented that the service area only worked on land owned by the Council but worked in partnership with housing associations to make the best use of their facilities.

Members noted that the service's self-assessment referred to a number of satisfaction surveys which demonstrated that customers generally had a high opinion of the service. A number of these surveys did not refer to sample sizes nor response rates, members requested that this information be provided in the next information and overview report for the Committee.

Turning their attention to the budget position, the Committee noted that the service had overspent its budget last year. The Executive Member for Arts and Leisure commented that the World Swimming Championship represented a significant cost for the service, but had brought about £23 million into the city.

Members also stressed the importance of having a long-term strategy to protect and maintain the city's indoor leisure facilities, many of which were very old buildings. The Head of Leisure Services commented that an Asset Management Plan was being prepared to safeguard these facilities.

The Committee also stressed the importance of encouraging adult participation in sport, and ensuring that suitable relationships exist with schools to make their facilities available to local communities outside of school hours.

#### **Communications**

The Director of Communications introduced the business plan. The Directorate had brought together four areas of work (events, press office, communications and Mfour) and was now implementing the new communications blueprint.

A member commented that there was a lot of press attention on the decline of printed media and asked how this effected the work of the service. The Leader of the Council commented that the Council had supported some local print media in the past to ensure that adverts for housing were communicated to people to support the local housing market. The Council had also rejuvenated its magazine to residents, Manchester People, and was adopting a more focused approach to its communication.

The Chair asked whether the Council made the most of occasions when it contacted all Manchester residents, such as for electoral registration and council tax bills, to communicate the right messages. The Director of Communications commented that she was looking at how to make the most of these opportunities, for example by providing businesses with information about adopting greener practices and cutting costs when sending out business rates bills.

Members noted the statistics that showed that nationally, the more people know about the services and benefits offered by councils the more likely they are to think that their council provides value for money. Members commented that it would be useful to have some information that was local to Manchester on this. A member noted that the correlation depicted in the graph was shallow; it takes a great deal of extra knowledge about services to raise satisfaction regarding value for money. The Leader of the Council commented that this knowledge supported the strategy outlined in the blueprint that the communication strategy needed to change from a large number of diverse messages to fewer more focused messages.

The Chair stressed the importance of two-way communication and ensuring that we kept people informed of what the Council was doing once communication channels had been opened.

### **Legal Services**

The Head of Legal Services introduced the service's business plan, and commented that the self-assessment was a thorough and comprehensive overview which addressed a number of issues that the Committee had raised during its item on it, in February of this year.

Members noted that the Council's expenditure on highways trip claims was substantially lower than many Core Citys' and many of Manchester's neighbours'. The Head of Legal Services advised that the section worked closely with the Highways section to take advantage of opportunities to drive down costs in this area. The service always paid great attention to how claims could be defended with the minimum potential cost.

Members noted that the service had an income target of £2.6 million, of which £500,000 was a target from Land Charges which was under review due to a lack of activity in the housing market. Members asked how the service would address the

possibility of a drop in income as a result of this. The Head of Legal Services advised that she would monitor the situation closely with the finance section and was also hopeful that the income target could be exceeded due to the volume of work the service does for external customers, such as Registered Social Landlords.

Members noted the positive response overall to customer satisfaction surveys but noted that the low response rate in percentage terms might disguise the actual perceptions of the service. The Head of Legal Services commented that the service had doubled the number of surveys it sent out and had received more back. The surveys had been sent out during school holidays in the past, and this practice was being altered to ensure that surveys were sent out when people were more likely to be at work.

In turn Legal Services maintained a regular dialogue with senior managers in their client departments to foster positive relationships and address any emerging issues. Risk registers were employed to address potential problems before they materialised.

In the efficiencies section of the assessment members noted that a new electronic document management system was being pursued to reduce costs and staff time in preparing paper bundles for court. The Chair asked whether this was being done as part of the Customer Relationship Management Solution to implement the Council's transformational strategies. The Head of Legal Services advised that she was in contact with the Directorate of Transformation about the potential interaction of the two projects.

### **Democratic and Statutory Services**

The Head of Democratic and Statutory Services advised that the section discharged the Council's statutory functions in a manner which promoted the Council's core values and the objectives of the City Council. The service amalgamated two formerly distinct service areas, and was set to be formally established by the Personnel Committee shortly.

Members noted the high levels of satisfaction with the registration of marriages and births and asked what worked had been done to establish satisfaction with the registration of deaths. The Registration and Coroner Services Manager commented that he was exploring a sensitive way of doing this. The service was very aware of the need for sensitivity in registering deaths and the service was brought out to hospitals and to people's homes in certain circumstances to ensure that the registration was done in a sensitive way. Registration of births was also brought out to Sure Start centres to make it easier for parents to do so. The Chair requested that feedback be provided to the Committee on progress in carrying out customer satisfaction surveys.

The Committee supported the practice of taking the registration service out into communities. Members asked how many children went unregistered and what the Council did about it. The Registration and Coroner Services Manager confirmed that a failure to register a child occurred very rarely, the Council was notified of a birth by the hospital and would contact and visit families if the birth had not been registered. The Leader of the Council commented that joint work was undertaken between the

Council and NHS Manchester to ensure that children do not become unaccounted for in this way.

Members asked whether customer satisfaction surveys could be spread to other areas of the service's work. The Governance and Scrutiny Support Unit Manager commented that he was considering how this could be done for the Unit's customers. The Unit organised a large number of appeals against decisions not to admit a child to a particular school, and he was looking at how satisfaction with the process, rather than the outcome, could be measured.

### **Decision**

1. To note the business plans submitted and to agree to look at how some of the plans have developed and taken account of members' comments when they return to look at business planning in January 2010.
2. To request that information about the sample sizes and response rates in the satisfaction surveys in Leisure Services' self-assessment be provided in the information and overview report for the Committee.

**Appendix 2: Business Plans 2010/11-2012/11**

<i>Directorate</i>	<i>Business Plan</i>	<i>Lead Overview and Scrutiny Committee</i>
Children's Services	Children's Services	Children and Young People
City Solicitor	Legal Services	Resources and Governance
	Democratic Services	Resources and Governance
Chief Executive's	Communication	Resources and Governance
Corporate Services	Capital Programmes	Resources and Governance
	Corporate Personnel	Resources and Governance
	Revenues and Benefits	Resources and Governance
	Corporate Property	Resources and Governance
	Corporate Procurement	Resources and Governance
	Financial Management	Resources and Governance
	Internal Audit and Risk Management	Resources and Governance
	Chief Executive's Performance	Corporate Performance Leadership Development Research and Intelligence
Crime and Disorder		Citizenship and Inclusion
Joint Health Unit		Health and Wellbeing
Chief Executive's Regeneration	Culture / Manchester Galleries	Communities and Neighbourhood
	Regeneration / Economic and Urban Policy	Economy, Employment and Skills
	Planning	Communities and Neighbourhoods
	Strategic Housing	Communities and Neighbourhoods
	Transport	Economy, Employment and Skills and Communities and Neighbourhoods
	Engineering Services	Communities and Neighbourhoods
	Adult Education	Economy, Employment and Skills
Neighbourhood Services	Street Management and Enforcement	Communities and Neighbourhoods
	Trading Services	Resources and Governance
	Sports and Leisure	Communities and Neighbourhoods
	Environmental Strategy	Communities and Neighbourhoods
	Libraries and Information Services	Communities and Neighbourhoods
	Library Theatre Company	Communities and Neighbourhoods
	Private Sector Housing	Communities and Neighbourhoods
Adult Social Care	Adult Social Care	Health and Wellbeing
		Citizenship and Inclusion
Transformation	ICT	Resources and Governance
	Business Change	Resources and Governance