

BUSINESS SUPPORT
OVERVIEW AND SCRUTINY COMMITTEE
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COUNCIL PLAN & ANNUAL REPORT

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Summary

This briefing updates members on progress on the development of the Council Plan 2009/12 and Annual Report 2007/8.

1. Budget and Policy Framework

1.1 The council's annual Performance Plan is a key element of the council's budget and policy framework, setting out the key strategic priorities and associated targets over a 3 year period.

2. Background

2.1 The concept of Best Value was introduced in 2000/01, requiring local authorities to publish a Best Value Performance Plan (BVPP) each year by 30 June and state performance and targets against Best Value Performance Indicators (BVPIs).

2.2 Best practice dictates that authorities have rigorous business planning processes and many therefore chose to compile an additional annual corporate plan as a locally relevant business plan, aligned to their budget setting processes. As a result, in 2004 the requirement to produce a BVPP was relaxed so that a corporate plan would suffice, so long as it met the requirements of a BVPP, and since then Medway has produced a performance plan which doubled as a corporate plan by the June deadline each year.

2.3 In October 2007 the department for Communities and Local Government revised the performance framework for local authorities, supported by a new inspection framework of Comprehensive Area Assessment (CAA).t there is no longer a formal requirement to produce

a BVPP, for the purposes of CAA, authorities will need to be able to demonstrate that rigorous business processes are in place, and plans and resources are in place to deliver the elements of the new Local Area Agreement relevant to it.

- 2.4 This therefore creates an ideal opportunity to re-model our performance plan and align it to the budget setting process and Resource Strategy to produce a Medium Term Financial and Corporate Plan for the period 2009-2012, in time for the commencement of CAA.

3. Advice and analysis

- 3.1 In June 2007, the Medway Council Performance Plan 2007/8 was agreed by full council, refreshing the Council's medium term objectives through the introduction of a new set of two core values and six priorities, as well as performance indicators and targets for 2007/8, 2008/9 and 2009/10.

The core values are:

- Putting our customers at the centre of everything we do
- Giving value for money

The six priorities are:

- A clean and green environment
- Safer communities
- Children and young people having the best start in life
- Older and vulnerable people maintaining their independence
- People travelling easily and safely in Medway
- Everyone benefitting from the area's regeneration

The Performance Plan therefore continues to provide the strategic framework for the Council for 2008/9, and the development of a corporate plan aligned to the budget provides an ideal opportunity to review progress against these objectives against resource requirements.

- 3.2 Whilst incorporating a performance plan, a corporate plan is much more locally relevant, and allows the council to tie together key corporate processes and initiatives, in particular to match budget and other resources to objectives and priorities. It is also consistent with established best practice promoted by the Improvement and Development Agency for local government.
- 3.3 Through alignment to the Resource Strategy and budget setting process, a corporate plan provides a key element of the performance management framework, clearly linking the authority's resources with expected performance improvements and demonstrating Medway's commitment to delivering value for money.
- 3.4 The process used to construct a corporate plan and the budget are inevitably very similar, through the need to balance budget constraints

and priority choices. The alignment of the two parallel processes will support the development of a single efficient business and budget planning process.

- 3.5 Linking performance management and resources has been a challenge for the authority in the past, being noted in Corporate Assessments in 2002 and 2006, as well as the Joint Area Review of children's services 2006. The development of a new style corporate plan will evidence how the authority plans to use its resources to improve performance.
- 3.6 Best practice is also developing around Annual Reports, with some authorities choosing to produce a publicly accessible report looking back at performance and financial highlights in a format, which is easy to understand. An Annual Report is essential for achieving the highest level against the Financial Reporting element of the Use of Resources assessment for CPA. In this transition year where in practice the council does not have a current performance plan or corporate plan, an annual report has been produced to allow the Council to re-state its corporate objectives for 2008/9, continuing to give a clear direction for the organisation and setting the scene for the development of the Council Plan 2009/2012.
- 3.7 It is important to note that the Council Plan is not a stand alone document. It will be supported by the development of the existing Service Planning framework, contributing to the development of a comprehensive performance framework across the council. This will establish a clear link between investment in services and performance improvements expected, between unit costs or demand led budgets and service delivery, resulting in the ability of the authority to dynamically shift resources in response to performance outturns.
- 3.8 Appendix 1 gives the timetable for aligned service and financial planning to deliver the Council Plan. The Annual Report 2007/2008 was considered for approval by Cabinet on 2 September 2008. The proposal to develop the Council Plan will be considered by Cabinet on 23 September 2008. The Council Plan will be finalised in February 2009.

4. Financial and legal implications

- 4.1 The financial and legal implications of the development of the corporate plan are contained either within this report or previous budget reports.

5. Recommendations

- 5.1 That the Committee consider and comment on the development of a Council Plan 2009/2012, aligned to the budget setting process and Resource Strategy, prior to Cabinet consideration.

Lead officer contact

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Background papers

- Resource Strategy
- Budget
- Annual Report 2007/8

Appendix 1

Date	Forum	Budget and Council Plan Timetable
2 September	Cabinet	Annual Report 2007/8
September	STAR CHAMBERS (Round 1)	For Members to understand the base budget and future budget requirements and advise officers regarding service priorities, service reductions and areas to target for efficiency savings, in order to achieve a balanced and sustainable budget and to inform the development of the Corporate Plan.
23 September	Cabinet	2009/2012 MTFP Report & scene setting report for Council Plan 2009/12.
14 to 24 October	STAR CHAMBERS (Round 2)	To present Members with proposals to balance the budget and service implications of these proposals
25 November	Cabinet	2009/10 Budget Report, and draft Council Plan 2009/12
1 to 12 December	STAR CHAMBERS (Round 3)	Provisional, in case the budget presented to Cabinet on 25 th November is not balanced.
9 December	BSD O&S	To consider the overall budget and review the BSD budget proposals, and relevant Council Plan sections
13 January	RCC O&S	To review the RCC budget proposals and relevant Council Plan sections
14 January	H&ASC O&S	To review the Adults Social Care budget proposals and relevant Council Plan sections.
20 January	C&A O&S	To review the Childrens budget proposals and relevant sections of the Council Plan.
3 February	BSD O&S	To make recommendations to Cabinet, following consideration of budget proposals and priorities by the relevant directorate overview and scrutiny committees.
26 January	Cabinet	Update on post-November progress and full draft Council Plan
17 February	Cabinet	2009/10 Final Budget Report & Final Council Plan 2009/12 and recommendations to Full Council.
26 February	Full Council	To agree the Budget, Council Tax and Council Plan 2009/12