

# Taunton Deane Borough Council

## Executive - 2 May 2012

### Development of a new Corporate Business Plan 2012/2013 to 2014/2015

#### Report of the Strategy Manager

(This matter is the responsibility of the Leader of the Council: John Williams)

#### 1 Executive Summary

The Corporate Strategy sets out the strategic direction and key objectives for the Council and is due to be re-written during the Spring and Summer.

The current format for the Corporate Strategy needs to be changed. We need to develop a document that sets out a clear direction for the Council during the current times of uncertainty and extreme funding pressures. All of this must be drafted within the context of policy and funding changes from central government.

A more focussed Council business plan is needed, that brings together ambitions, future plans, capacity and affordability. It should set a clear way forward for the organisation and provide a prioritisation of services and projects that are deliverable and affordable. This should be based on clear direction from councillors on their priorities, balancing the need to deliver our statutory responsibilities as well as community needs.

We have approached the LGA to act as a critical friend by providing peer review and challenge and to support councillors and CMT in developing a new corporate business plan.

The proposed timetable for development of the corporate business plan is a draft to be reviewed by Corporate Scrutiny and Executive in July and August and for it to be finally approved by Full Council in October / November.

#### 2 Background

- 2.1 Every year the Council produces a 3 year Corporate Strategy that sets its strategic direction for the medium-term future and which is approved by Full Council. The role of the Strategy is to set the direction for the organisation and describe its high-level objectives.
- 2.2 Subsequent service plans developed by Theme Managers and Leads then translate this into specific areas of work, projects and actions

which are agreed by a CMT director and the relevant portfolio-holders. The Medium-Term Financial Plan is also meant to be written in light of the priorities identified in the Corporate Strategy.

- 2.3 The Corporate Aims remained largely unchanged between 2000 and 2010 and were described as 'ETCHED' – Economy; Transport; Climate Change; Health; Environment; and Delivery. In 2010 the Corporate Strategy was refocused onto our existing Corporate Aims of 'TRAC' - Tackling Deprivation and Sustainable Community Development; Regeneration; Affordable Housing and Climate Change. Due to the three-year timeframe of the Strategy, the annual review has normally been treated as a refresh, rather than a rewrite.

### **3 Fit for Purpose Corporate Strategy 2012/13 to 2014/15**

- 3.1 Whilst the Corporate Strategy has served its purpose during times of stability, the current challenging times and funding cuts in Local Government require a much sharper and more focussed Strategy to provide clearer direction and prioritisation of Council services in the future. A critique of the existing Corporate Strategy shows the following areas of required improvement to provide a meaningful vehicle for the Council to make robust strategic decisions:
- Although the Corporate Strategy links to Service Plans and to the Medium Term Financial Plan (MTFP), it does not inherently or transparently take any account of capacity or available funding in setting its direction. Similarly, the MTFP is largely based on previous year's budgets rather than being influenced by the strategy and direction the council wants to set.
  - The Corporate Strategy therefore currently takes no account of the 40% reduction in budget anticipated over the next three years.
  - The Strategy provides a vision for the four corporate aims, describing what will be achieved and what this will look like, however it takes very little account of the majority of Council services and their relative importance and offers no future strategic direction for those services.
  - The Strategy needs to set a strategic response to the Coalition government's ambitions of localism, open public services, community budgets, empowerment of the voluntary and community sector, Universal Credit and other major changes.
  - The Strategy needs to align better to the new world of government funding including New Homes Bonus and Community Infrastructure Levy to ensure the Council's financial stability in future.
- 3.2 In summary, a new Corporate Strategy needs to be more akin to a business plan that provides a strategic direction for the Council, its services and projects but with a much closer alignment to available finances and capacity. It must have a clear vision of what the Council will deliver well and a clear prioritisation of what will be delivered and what won't be. This must be aligned to intelligence that describes what

local residents and businesses want and need as well as our partners. It must provide a strategic direction on how council services should be delivered and by whom and it should align better to new funding streams.

#### **4 Proposed timetable to develop a new Corporate Business Plan**

- 4.1 It is proposed that the new Corporate Strategy should be designed as a business plan during the Spring and Early Summer 2012 and a draft be presented to Corporate Scrutiny on 19<sup>th</sup> July and Executive on 8<sup>th</sup> August.
- 4.2 The draft business plan will provide a baseline proposal for the Council's future direction. It will describe our ambitions, capacity, focus and the services we will deliver within our resources.
- 4.3 The draft business plan is expected to be robust enough to be used as a basis for budget setting for 2013/14 however will still require further challenge and work with councillors to finalise it before approval at Full Council. We have invited the Local Government Association (LGA) to act as a critical friend and provide peer review support to councillors and officers to refine the business plan during September.
- 4.4 The corporate business plan will be developed by the Chief Executive, Directors, Strategy Manager and officers, working closely with the group leaders and political groups. It will describe a proposed way forward for the Council and the type of organisation we want to be. It will incorporate member priorities, as well as take account of social needs data, customer intelligence, partner objectives and our statutory responsibilities. A key principal will be that the corporate business plan must be affordable and deliverable.
- 4.5 The following timetable is proposed:
  - Interim Draft Plan: Corporate Scrutiny 24<sup>th</sup> May; Executive 20<sup>th</sup> June
  - Draft Business Plan: Corporate Scrutiny 19<sup>th</sup> July; Executive 8<sup>th</sup> August
  - Further refinement and LGA Peer Challenge August / September
  - Corporate business plan sign off: Target Full Council on 2<sup>nd</sup> October, but may need a Special Council in November, dependent on Peer Challenge timing.
- 4.6 It will be for Scrutiny, Executive and Full Council to accept the corporate business plan or offer alternative proposals.

#### **5 Proposed process for developing the Corporate Business Plan**

- 5.1 The draft business plan will be developed during April to June and led by the Chief Executive and Directors, in liaison with the political groups.

The Corporate business plan will provide direction over the following key areas:

- Ambition and Future Plans (for the community and the organisation)
- Prioritisation (including key corporate programmes and projects)
- Focus
- Capacity
- Performance Management & Risk Management
- Service Quality
- Investment and funding

5.2 The corporate business plan will be strongly linked to affordability and capacity and will rely on robust spend data. A review of Council Spend will be undertaken to better understand how both staffing capacity and financial spend is currently allocated across Council work areas. This baseline work will be undertaken through the following means:

5.2.1 Theme Managers will be asked to modify their 2012/13 Service Plans to provide a more complete breakdown of time and finance spent on each functional area and to distinguish between statutory and discretionary areas of work. This will be used to better evaluate how current spend and resource is allocated.

5.2.2 The Finance Team will support the Section 151 Officer to understand the minimum cost of 'governance' for the Council. This will describe the minimum 'stand still' cost of the Council before making choices on services and projects. It will describe the minimum requirement for the Council to be 'safe' and it will cover areas such as democratic accountability, financial control, risk management, IT infrastructure etc.

5.2.3 A review of all projects will be drawn up to understand what capacity is being assigned to different projects and whether these are statutory or discretionary areas of work

5.3 Workshops will be held with the political groups to describe the Council's ambition, future plans and prioritisation. Outcomes from these workshops will form the basis of the draft business plan, along with the required statutory delivery areas and any essential service needs identified through intelligence. A diagram showing the development of the corporate business plan is shown as *Appendix A*.

5.4 The Council's Medium Term Financial Plan and future capacity will be overlaid on top of the draft business plan to ensure it is both affordable and deliverable. This will lead to clear choices that will need to be made about what is delivered and what isn't.

5.5 The draft business plan will be presented to Scrutiny and Executive on the timetable described under 4.5. The draft business plan will be a proposal document and will be an interpretation of the feedback from councillors and others and from the required deliverables of a District

Council. This would then be further refined and challenged with the support of the Peer Review.

- 5.6 The LGA has been asked to provide a peer review in September and support the Council as it develops its Strategy for the future. The peer review will include peers with expertise from other Councils and would likely include a Council Leader, other councillors and a Chief Executive as part of the review group. They would use the draft business plan as a baseline document and help councillors and CMT challenge its content to further develop it and make it fit for purpose. Their role would be to act as a critical friend and provide challenge and support.

## **6 Finance Comments**

- 6.1 As outlined in this report the Council faces significant financial challenge and uncertainty for the foreseeable future. It is vital that the Council takes this opportunity to review strategy and priorities that are affordable and therefore sustainable.
- 6.2 The General Fund Medium Term Financial Plan (MTFP) as reported to Members in February 2012 shows that the difference between projected costs and projected funding is significant over the next five years. Officers are currently in the process of reviewing the MTFP to provide for known/unavoidable changes since the 2012/13 budget was approved, and it is proposed to include a refreshed MTFP to Corporate Scrutiny in May. The Business Plan should then provide the overarching priorities, subsequently through which services and therefore the MTFP can be set and delivered as affordable.

## **7 Legal Comments**

- 7.1 The process described in this report has no legal implications.

## **8 Links to Corporate Aims**

- 8.1 It is anticipated that the Corporate Aims could change or be reduced as part of this process.

## **9 Environmental and Community Safety Implications**

- 9.1 The process described in this report has no implications

## **10 Equalities**

- 10.1 The corporate business plan will need to include an equalities impact assessment to show the impacts of any changes in policy or service provision

## **11 Risk Management**

- 11.1 CMT comprehensively reviewed strategic risks during January and February, and a draft refreshed Corporate Risk Register was reported to the Corporate Governance Committee 12<sup>th</sup> March.
- 11.2 The corporate risk management framework (principles, approach & processes) will be applied throughout the development of the new corporate business plan, with the corporate risk register being regularly updated to align to the new strategic aims and objectives.

## **12 Partnership Implications**

- 12.1 The development of a corporate business plan will require input from and consultation with our key partners

## **13 Recommendations**

- 13.1 The Executive are requested to approve the development of a three year corporate business plan for 2012/13 to 2014/15 to replace the Corporate Strategy, using the process as described in this paper

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## APPENDIX A: PROPOSED PROCESS

