

## **Integrated Strategic Planning Process 2012/13 and the Medium Term Corporate Plan**

### **Report of the Chief Fire Officer**

For further information about this report please contact Paul Raymond,  
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Performance Manager, on 01743 260208.

### **1 Purpose of Report**

This report outlines how the Service will continue to align service, financial and improvement planning, the result of which will culminate in the 2012/13 budget, Medium Term Corporate Plan (MTCP) and the publication, in April 2012, of the 2012/13 annual one-year Service Plan.

### **2 Recommendations**

The Strategy and Resources Committee is asked to:

- a) Task the Strategic Risk and Planning (STRaP) Working Group to review the key issues for the 2012/13 planning process; and
- b) Recommend the Strategic Planning timetable, set out in Appendix B, to the Fire Authority.

### **3 Background**

The strategic planning process is built around a number of dependencies and milestones, which overlap into three key areas: service, financial and improvement planning.

Following a review of service planning by officers during 2007/08 an integrated strategic planning process was developed in order to demonstrate a more joined-up approach to the whole issue of planning. This process has been continued in subsequent years until the introduction of Public Value, which resulted in a number of changes to the timetable.

#### **4 Service Planning**

Changes to service planning were agreed by the Fire Authority in 2010, which involved subsuming Integrated Risk Management Planning (IRMP) into the Public Value process. The process spans a twelve-month period and involves engagement with a wide range of stakeholders through structured consultation sessions. The 2011 process is currently under development in conjunction with the STRaP Working Group. The proposed process is set out for agreement by Members at agenda item 8.

#### **5 Budgeting and the Medium Term Corporate Plan**

The MTCP 2011/15, agreed by the Fire Authority in February 2011, incorporates the essential contents of the Medium Term Financial Plan and the findings arising from the 2010 Public Value review. The MTCP is a working document that details how the Service intends to develop, cost and implement future proposals / changes identified as part of the Public Value process.

It is proposed to update the MTCP 2011/15, currently on the Fire Authority's website, to produce a MTCP 2012/16. The starting point is to set out the agreed plans for the next four years up to 2015/16, and start to model a new fifth year. The budget implications are set out in Appendix A.

The next step is to start to consider the major issues facing the Fire Authority, which are as follows:

Factors largely outside its control:

- i future grant settlements from 2013/14 onwards
- ii pay, price and pension changes from 2012 onwards and external events since the budget was set in February

Factors mainly in the Authority's control:

- iii precept planning
- iv the public value process
- v policies on reserves and balances

It is recommended that STRaP be asked to consider these matters so that officers can bring reports to the Strategy and Resources Committee in September. This would allow time for any additional work by officers to take place in good time for the meetings leading to the Fire Authority meeting on 14 December 2011.

The process and timetable for producing the Authority's five-year budget will continue to link the 2012/13 annual, one-year Service Plan, the five year MTCP, and to work within the public value framework. A detailed breakdown of the planning cycle is set out in Appendix B.

## **6 Improvement Planning**

The third element of the strategic planning process is improvement planning, which traditionally has covered two key areas:

- Improvements to the Service identified through IRMP; and
- Improvements to the Service identified by the Audit Commission and through other internal and external audits.

IRMP is now subsumed within Public Value and as a consequence of the 2010 consultation process improvements to the Service are currently being introduced and monitored.

The previous audit regime is likely to change in 2011. Officers are currently reviewing a consultation document released by Communities and Local Government on the future of local public audit and will report back to Members. Future audit regimes will be considered within the strategic planning process.

Reporting on the Annual Governance Statement (AGS) Improvement Plan has this year been included in the planning cycle.

## **7 Financial Implications**

There are no financial implications arising directly from this report.

## **8 Legal Comment**

There are no legal implications arising directly from this report.

## **9 Equality Impact Assessment**

Officers have considered the Services Brigade Order on Equality Impact Assessments (Human Resources 5 Part 2) and have decided that there are no discriminatory practices or differential impacts upon specific groups arising from this report. An EQIA has therefore not been completed.

## 10 Appendices

### **Appendix A**

2012-13 Financial Five Year Projection

### **Appendix B**

Strategic Planning process

## 11 Background Papers

### **Shropshire and Wrekin Fire and Rescue Authority**

21 July 2010, Paper 12 - Integrated Strategic Planning Process 2011/12

15 December 2010, Paper 8 - 2010/11 and Later Years' Budget  
Summary

9 February 2011, Paper 09 - Revenue Budget, Capital Programme and  
Medium Term Financial Planning

### **Strategy and Resources Committee**

20 May 2010, Paper 7 - Strategic Planning Process 2011/12 and the  
Medium Term Financial Plan.

## 2012-13 Financial Five Year Projection

### Budgeted Expenditure

|    |   | 2012/13<br>£000 | 2013/14<br>£000 | 2014/15<br>£000 | 2015/16<br>£000 | 2016/17<br>£000 |
|----|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| 1  | <b>Previous Year's Budget</b>                   | 20,474          | 20,508          | 20,427          | 20,721          | 21,548          |
| 2  | <i>Committed Growth</i>                         |                 |                 |                 |                 |                 |
| 3  | Local Government pensions revaluation           |                 |                 | 60              |                 |                 |
| 4  | Firefighter pensions revaluation                | 50              |                 | 50              |                 |                 |
| 5  | Retained Duty System (RDS) Development Officers | 22              |                 |                 |                 |                 |
| 6  | Capital in progress                             | 76              | -32             | -22             | -40             |                 |
| 7  | Uniforms  | -50             |                 |                 |                 |                 |
| 8  | Furniture                                       | -15             |                 |                 |                 |                 |
| 9  | Leasing   | -8              | -63             | -9              |                 |                 |
| 10 | Loss of tax freeze grant                        |                 |                 |                 | 337             |                 |
| 12 | <b>Total committed</b>                          | 75              | -94             | 79              | 297             | 0               |
| 13 | <b>Pay and Prices</b>                           | 401             | 425             | 433             | 442             | 450             |
| 14 | <b>New Developments</b>                         | 200             | 200             | 200             | 200             | 200             |
| 15 | <i>Efficiencies</i>                             |                 |                 |                 |                 |                 |
| 16 | Ill-health retirements (net 2012/13)            | -               | -40             |                 |                 |                 |
| 17 | Target  | -150            | -150            | -150            | -150            |                 |
| 18 | <b>Total Efficiencies</b>                       | -150            | -190            | -150            | -150            | -150            |
| 19 | <b>New Capital Schemes starts</b>               | 15              | 7               | 29              | 37              | 50              |
| 20 | <i>Public Value Reductions</i>                  |                 |                 |                 |                 |                 |
| 21 | Non-uniformed posts                             | -50             | -50             | -50             |                 |                 |
| 22 | RDS posts                                       | -30             | -30             | -30             |                 |                 |
| 23 | RDS budget                                      | -50             |                 |                 |                 |                 |
| 24 | Building maintenance                            | -50             | -50             |                 |                 |                 |
| 25 | Aerial ladder platform                          | -297            |                 |                 |                 |                 |
| 26 | Relief crew policy                              | -30             |                 |                 |                 |                 |
| 27 | Rescue tender costs                             |                 | -80             | -217            |                 |                 |
| 28 | Smoke alarms                                    |                 | -75             |                 |                 |                 |
| 29 | Brigade Manager                                 |                 | -100            |                 |                 |                 |
| 30 | Training costs                                  |                 | -43             |                 |                 |                 |
| 31 | <b>Total Public Value Reductions</b>            | -507            | -428            | -297            | 0               | 0               |
| 32 | <b>Budget for the Year</b>                      | 20,508          | 20,427          | 20,721          | 21,547          | 22,098          |

## Budgeted Income

|    |  | 2012/13<br>£000 | 2013/14<br>£000 | 2014/15<br>£000 | 2015/16<br>£000 | 2016/17<br>£000 |
|----|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| 1  | Transfer to / ( - from)<br>Reserves        | 241             | 92              | -399            | -472            |                 |
| 2  | Government Formula Grant                   | -7,229          | -6,605          | -6,004          | -6,341          |                 |
| 3  | Collection Fund                            | -30             | -30             | -30             | -30             | -30             |
| 4  | Council Tax<br>(precept x Band D tax base) |                 |                 |                 |                 |                 |
| 5  | £83.81 x 160,966.27                        | -13,491         |                 |                 |                 |                 |
| 6  | £85.91 x 161,610                           |                 | -13,884         |                 |                 |                 |
| 7  | £88.05 x 162,257                           |                 |                 | -14,288         |                 |                 |
| 8  | £90.25 x 162,906                           |                 |                 |                 | -14,704         |                 |
| 9  |  |                 |                 |                 |                 |                 |
| 10 | <b>Total Funding</b>                       | -20,509         | -20,427         | -20,721         | -21,547         |                 |

## Notes

- i All expenditure figures for 2016/17 are provisional.
- ii All figures, except those for 2016/17, are as agreed by the Fire Authority in February.
- iii Formula Grant assumes a 27.4% fall from 2010/11 grant by 2014/15. 2015/16 then shows a grant standstill plus the consolidation of the tax freeze grant of £337,000.

## Strategic Planning Process

| Month      | Activity  |
|------------|---|
| April 2011 | <p>1<sup>st</sup> Service Plan 2011/12 and Directorate / Departmental plans come into effect</p> <p>Develop Annual Report</p>   |
| May 2011   | <p>19<sup>th</sup> Strategy and Resources Committee:</p> <ul style="list-style-type: none"> <li>• receives draft Public Value / IRMP summer consultation presentation</li> <li>• agrees the Public Value/IRMP review 2011/12</li> <li>• recommends outline Integrated Strategic Planning process to Fire Authority</li> </ul> <p>Develop Annual Report</p>  |
| June 2011  | <p>9<sup>th</sup> Audit and Performance Management Committee:</p> <ul style="list-style-type: none"> <li>• approves the Annual Governance Statement and Improvement Plan for inclusion in the Statement of Accounts</li> <li>• receives quarterly performance monitoring</li> </ul> <p>15<sup>th</sup> Fire Authority:</p> <ul style="list-style-type: none"> <li>• considers key issues arising from the final accounts</li> <li>• approves budget carry forwards, reserves and provision, including ICT reserve</li> <li>• approves and signs the Annual Governance Statement and Improvement Plan for inclusion in the Statement of Accounts</li> <li>• agrees 2010/11 Annual Report</li> </ul> <p>30<sup>th</sup> Release 2010/11 Annual Report</p>   |
| July 2011  | <p>20<sup>th</sup> Fire Authority:</p> <ul style="list-style-type: none"> <li>• considers 2011/12 Public Value / IRMP consultation and the Integrated Strategic Planning Process and timetable</li> </ul> <p>Officers review Directorate and Departmental Plans, revenue and capital budgets together with financial plans with partner organisations.</p> <p>COG/SPG receives monthly reports on capital and revenue spending in line with progress on Service Plans, in particular pay guidelines, efficiencies and major projects monitoring.</p> <p>The risk register is reviewed together with the level, nature and potential calls on reserves. These processes then continue throughout the year.</p> <p>Directorate heads review service pressures and capital programmes. Bids or project appraisals are developed, as identified through the Public Value process.</p> <p>Budget savings falling out of Public Value are reviewed. The STRaP Working Group meets to consider this review and other aspects of officers' work, in time to report to the Strategy and Resources Committee in September.</p> <p>Lead Officers and the Partnership Assessment Group consider any partnership resource needs.</p> |

| Month                     | Activity  |
|---------------------------|---|
| August 2011               | Public Value/IRMP consultation<br>Tasks above continue throughout August  |
| September 2011            | <p>8<sup>th</sup> Audit and Performance Management Committee:</p> <ul style="list-style-type: none"> <li>• receives quarterly performance monitoring</li> <li>• reviews the 2010/11 final audited accounts for final approval by the Fire Authority in September</li> <li>• receives a report on the Annual Governance Statement Improvement Plan</li> </ul> <p>22<sup>nd</sup> Strategy and Resources Committee:</p> <ul style="list-style-type: none"> <li>• receives updates on budgets, service issues and Public Value /IRMP from Officers and STRaP</li> </ul> <p>Public Value consultation<br/>Tasks above continue throughout September</p>   |
| October 2011 <sup>1</sup> | <p>12<sup>th</sup> Fire Authority:</p> <ul style="list-style-type: none"> <li>• receives reports and recommendations from Strategy and Resources Committee on the detailed issues to be pursued through the 2012/13 budget process</li> <li>• approves budget process, setting out the detailed issues it wishes officers to explore</li> <li>• Officers prepare reports on the budget, disaggregated in the way previously used as follows: <ul style="list-style-type: none"> <li>i Changes to the base budget, i.e. the net cost of delivering the policies and services currently approved;</li> <li>ii Pay and Prices contingency, i.e. the sum required to meet pay awards and price increases that are not currently known and budgeted;</li> <li>iii Service efficiencies;</li> <li>iv Service growth and savings (from the Public Value / IRMP process);</li> <li>v The cost, both capital and revenue, of new, and previously un-approved, capital projects, i.e. new starts scheduled from 2012/13 onwards; and</li> <li>vi Changes to reserves and balances.</li> </ul> </li> </ul> |
| November 2011             | <p>10<sup>th</sup> Strategy and Resources Committee:</p> <ul style="list-style-type: none"> <li>• develops 2012/13 service and budget recommendations for Fire Authority.</li> </ul> <p>24<sup>th</sup> Audit and Performance Management Committee:</p> <ul style="list-style-type: none"> <li>• receives a report on the Annual Governance Statement Improvement Plan</li> <li>• receives quarterly performance monitoring.</li> </ul>   |
| December 2011             | <p>14<sup>th</sup> Fire Authority:</p> <ul style="list-style-type: none"> <li>• considers budget proposals for the 2012/13 consultation process with public and stakeholders.</li> </ul> <p>Budget Consultation<br/>Develop 2012/13 Service Plan</p>  |

<sup>1</sup> The October CFA meeting will be rescheduled to September to approve the Final Accounts.



|                          |   |
|--------------------------|---|
| <p>January<br/>2012</p>  | <p>19<sup>th</sup> Strategy and Resources Committee:</p> <ul style="list-style-type: none"> <li>• finalises budget</li> </ul> <p>Budget Consultation<br/>Refine and produce Draft 2012/13 Service Plan and set performance targets<br/>Officers develop Directorate / Departmental plans</p>  |
| <p>February<br/>2012</p> | <p>8<sup>th</sup> Fire Authority:</p> <ul style="list-style-type: none"> <li>• sets precept and approves the Medium Term Corporate Plan 2012/16</li> <li>• agrees 2012/13 Service Plan.</li> </ul> <p>Refine and produce Draft 2012/13 Service Plan and set performance targets<br/>Officers develop Directorate / Departmental plans</p> |
| <p>March<br/>2012</p>    | <p>15<sup>th</sup> Strategy and Resources Committee:</p> <ul style="list-style-type: none"> <li>• agrees performance targets.</li> </ul> <p>Officers develop / refine Directorate / Departmental plans</p>  |
| <p>April 2012</p>        | <p>1<sup>st</sup> Service Plan 2012/13 and supporting Directorate / Departmental plans come into effect</p> <p>Develop Annual Report</p>  |