

# Integrated Strategic Planning Process and the Medium Term Corporate Plan

## Report of the Chief Fire Officer

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### 1 Purpose of Report

This report set outs proposals for the consolidation of the Fire Authority's existing planning processes, leading to the development of an overarching 2020 Strategy. The Strategy would represent and include a long-term Integrated Risk Management Plan (IRMP), the Medium Term Corporate Plan (MTCP), the Public Value Plan, the 2013/14 Budget and 2013/14 annual 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 proposed planning process; and
- b) Recommend the Strategic Planning timetable, set out at Appendix B, to the Fire Authority.

### 3 Background

The strategic planning process has been developed over recent years around a number of inter-dependent activities and milestones. The 2020 Strategy will further align these areas / processes to provide a long-term, costed strategy that aims to manage the expectations of the community, whilst satisfying the legal framework,<sup>1</sup> to which the Fire Authority must operate.

<sup>1</sup> Fire and Rescue National Framework 2012 (DRAFT) see:  
<http://www.communities.gov.uk/documents/fire/pdf/2039159.pdf>

The key areas of the strategy are:

- **2020 Strategy**  
The Fire Authority's long-term strategy (eight to ten years) will be developed through a scenario-based planning process. The process will be managed through a series of Member led staff / public consultation workshops.
- **Integrated Risk Management Plan (IRMP)**  
All Fire Authorities are required to produce an IRMP to identify and assess all fire and rescue related risks that could affect their communities, including those of a cross-border, multi-authority and/or national nature. The current 2009 to 2012 IRMP was reviewed in 2011 and will be assessed against the criteria set out within the Fire and Rescue National Framework 2012 (Draft).<sup>2</sup>
- **Public Value**  
In 2010 the Fire Authority undertook a Public Value review to identify, assess and evaluate options for service changes necessary to address budget shortfalls arising from Government cuts. The review resulted in a four-year (2011 to 2015) programme of structured measures that will lead to approximately £3million of cost-saving measures.
- **Medium Term Corporate Plan (MTCP)**  
This Plan incorporates the essential contents of the Public Value review. It 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 review and IRMP. The next version of the MTCP will include proposals arising from the 2020 Strategy.
- **Service Plan**  
The Fire Authority's aims and Public Value measures for the Service are set out within the annual Service Plan.

#### 4 Budgeting and the Medium Term Corporate Plan

The MTCP was agreed by the Fire Authority in February 2012. It is proposed to update the current plan to reflect the outcomes of the 2020 Strategy. The amended plan will set out the budget for the next four years up to 2016/17, and indicatively lay out subsequent years up to 2020. The current budget projections and implications are set out in Appendix A.

In summary, the major issues which the Fire Authority will need to consider are:

Factors largely outside its control:

- Future grant settlements; and
- Pay, price and pension changes

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<sup>2</sup> *ibid*

Factors mainly in the Authority's control:

- Precept planning;
- Public Value process; and
- Policies on reserves and balances

It is recommended that, as in previous years, the Strategic Risk and Planning Working Group is asked to consider these matters as part of the 2020 Strategy process. Officers would then bring reports to the Strategy and Resources Committee at appropriate times during 2012/13, allowing for final budget recommendations to be made to the Fire Authority in February 2013.

The process and timetable for producing the Authority's budget and MTCP is summarised in Appendix B.

## **5 Assurance and Accountability**

Assurance of the above process and accountability for the subsequent outcomes for financial, governance and operational matters will be set out within an Annual Statement of Assurance. The timing of publication, style and content of the Statement is still to be determined by the Government, but essentially it will be expected to show how the Fire Authority has had due regard to the expectations set out in the IRMP and the requirements of the Fire and Rescue National Framework 2012.

## **6 Financial Implications**

There are no financial implications arising directly from this report.

## **7 Legal Comment**

Section 21 of the Fire and Rescue Services Act 2004 provides the statutory authority for the Fire Service National Framework and requires fire and rescue authorities to have regard to the Framework in carrying out their functions.

## **8 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.

## **9 Appendices**

### **Appendix A**

2013 to 2014 Financial Five Year Projection

### **Appendix B**

Strategic Planning Process

## 10 Background Papers

There are no background papers associated with this report other than those mentioned within it.

## 2013 to 14 Financial Five Year Projection

The position for the next five years can be summarised as follows:

	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Expenditure</b>					
Base budget (2011/12)	20,472	20,472	20,472	20,472	20,472
Committed change	-258	-259	-208	-158	-158
Council Tax Freeze Grant 11/12, payable until 14/15	-	-	-	337	337
Inflation	401	800	1,124	1,648	2,229
New Efficiencies	-67	-105	-107	-107	-107
New Developments	514	610	245	90	90
Capital investment	15	22	47	91	201
Public Value Reductions	-507	-935	-1,232	-1,232	-1,232
<b>Total Expenditure</b>	<b>20,570</b>	<b>20,605</b>	<b>20,341</b>	<b>21,141</b>	<b>21,852</b>
<b>Income</b>					
Grant	-7,229	-6,517	-5,734	-5,734	-5,734
Council Tax 6p 12/13 5p 13/14 onward	-14,025	-14,502	-14,983	-15,467	-15,954
Collection Fund	-159	-30	-30	-30	-30
<b>Total Income</b>	<b>-21,413</b>	<b>-21,049</b>	<b>-20,747</b>	<b>-21,231</b>	<b>-21,718</b>
<b>(Surplus) / Deficit</b>	<b>(-843)</b>	<b>(-444)</b>	<b>(-406)</b>	<b>(-80)</b>	<b>134</b>

## Strategic Planning Process

Month	Activity
April 2012	<p><b>Fire Authority</b> receives proposals for Consolidated 2020 Strategic Planning Process.</p> <p>Service Plan 2012/13 and Directorate / Departmental plans come into effect.</p> <p>Annual Report is developed.</p>
May 2012	<p><b>Strategy and Resources Committee</b> receives proposals and outline plan for Consolidated 2020 Strategic Planning Process.</p> <p>Annual Report is developed.</p>
June 2012	<p><b>Audit and Performance Management Committee</b> receives quarterly performance monitoring report.</p> <p><b>STRaP</b> develops proposals and plan for Consolidated 2020 Strategic Planning Process.</p> <p>2011/12 Annual Report is released.</p>
July 2012	<p><b>Fire Authority</b></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>• Agrees 2011/12 Annual Report; and</li> <li>• Receives and approves Consolidated 2020 Strategic Planning Process</li> </ul> <p><b>STRaP</b> reviews 2020 Strategy process and other budgetary matters.</p> <p>Officers review Directorate and Departmental Plans, revenue and capital budgets together with financial plans with partner organisations.</p> <p>Service Management Team (SMT) receives monthly reports on capital and revenue spending / efficiencies (including pay guidelines) in line with progress on Service Plans and Transformational Programme.</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.</p> <p>Lead Officers and the Partnership Assessment Group consider any partnership resource needs.</p> <p>Note All of the above activities continue throughout the year</p>

Month	Activity
September 2012	<p><b>Audit and Performance Management Committee</b></p> <ul style="list-style-type: none"> <li>• Approves and signs the Annual Governance Statement and Improvement Plan for inclusion in the Final Accounts.</li> <li>• Approves the 2011/12 Statement of Accounts (as per delegation granted by the Fire Authority on 13 February 2012).</li> <li>• Receives quarterly performance monitoring report.</li> </ul> <p><b>Strategy and Resources Committee</b> receives updates on budgets, service issues and 2020 Strategy / Public Value / IRMP from officers and STRaP.</p> <p><b>Fire Authority</b></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 2013/14 budget process; and</li> <li>• Approves budget process, setting out the detailed issues it wishes officers to explore.</li> </ul> <p>2020 Strategy consultation</p>
November 2012	<p><b>Strategy and Resources Committee</b> develops 2013/14 service and budget recommendations for Fire Authority.</p> <p><b>Audit and Performance Management Committee</b></p> <ul style="list-style-type: none"> <li>• Receives a report on the Annual Governance Statement Improvement Plan</li> <li>• Receives quarterly performance monitoring report.</li> </ul>
December 2012	<p><b>Fire Authority:</b></p> <ul style="list-style-type: none"> <li>• Receives report from officers 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 2020 / 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 2013/14 onwards; and</li> <li>vi Changes to reserves and balances.</li> </ul> </li> <li>• Considers budget proposals for the 2013/14 consultation process with public and stakeholders.</li> </ul> <p>Budget Consultation</p> <p>2013/14 Service Plan is developed.</p>

Month	Activity
January 2013	<p><b>Strategy and Resources Committee</b> finalises budget recommendations.</p> <p>Budget Consultation</p> <p>Officers refine and produce Draft 2013/14 Service Plan and performance measures.</p> <p>Officers develop Directorate / Departmental plans.</p>
February 2013	<p><b>Fire Authority</b></p> <ul style="list-style-type: none"> <li>• Sets precept and approves the Medium Term Corporate Plan 2013/17; and</li> <li>• Agrees 2013/14 Service Plan.</li> </ul> <p>Officers refine and produce Draft 2013/14 Service Plan and performance measures.</p> <p>Officers develop Directorate / Departmental plans.</p>
March 2013	<p><b>Strategy and Resources Committee</b> agrees performance measures for recommendation to the Fire Authority.</p> <p>Officers develop and refine Directorate / Departmental plans.</p>
April 2013	<p><b>Fire Authority</b> agrees performance measures.</p> <p>Service Plan 2013/14 and supporting Directorate / Departmental plans come into effect.</p> <p>Officers develop Annual Statement of Assurance for recommendation to the Fire Authority.</p>