

## Integrated Strategic Planning Process 2010/11

### Report of the Chief Fire Officer

For further information about this report please contact Alan Taylor, Chief Fire Officer, on 01743 260225, Paul Raymond, Chief Fire Officer Designate, on 01743 260205 or Ged Edwards, Programme 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 publication of the 2010/11 Corporate Plan.

### 2 Recommendations

The Fire Authority is asked to:

- a) Endorse the process and note the key milestones;
- b) Recognise the interdependency behind service, budget and improvement planning; and
- c) Note the outline proposals for medium-term service planning from 2011/12 and beyond.

### 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. The approach was endorsed by the Fire Authority and resulted in the production of a forward-looking 2008/09 Corporate Plan and a backward-facing 2007/08 Annual Report.

This approach continued for 2009/10 and it is proposed again to continue with this for the 2010/11 strategic planning process.

## **4 Service Planning 2010/11**

Service planning for 2010/11 will continue with a series of workshops, commencing in September/October 2009. These workshops will involve officers reviewing the Authority's aims and objectives, determining improvement priorities, reviewing and refining the 2010/11 capital programme and determining any new growth requirements and efficiencies.

The outcomes of the workshops will be the basis for drawing up the Authority's 2010/11 Corporate Plan, which will be presented for approval by the Fire Authority at its February 2010 meeting.

Following the publication of the 2010/11 Corporate Plan a backward-facing Annual Report will be produced. The Annual Report will look back over the previous 12 months and report on achievements and progress against the Authority's key priorities.

## **5 Medium-Term Service Planning**

In addition to service planning for 2010/11 it is also proposed to run a series of "futures events" involving service staff. These events will consider how the Service best prepares and positions itself as it enters the final year of the current three-year budget cycle in 2010/11. The objective of these events will be to continue to deliver the Authority's vision beyond 2010/11.

In adopting this two-pronged approach to service planning, it should allow the Service sufficient time to consider fully, and to prepare better for, issues, which the Authority may face due to the uncertainty of the current economic climate.

## **6 Financial Planning**

Financial planning each year centres on preparing five-year revenue and capital budgets, leading, in February, to the fixing of the precept for the year ahead.

The process for budget planning is agreed in detail each year but must be led by service planning, Integrated Risk Management Planning (IRMP), revenue support grant and the level of the potential precept.

To be effective, strategic planning must ensure that service plans, the IRMP and partnership plans are all consistent with the budgets as agreed each February. This also allows for the Medium Term Financial Plan (MTFP) to be prepared in a consistent way.

In the period April to June the accounts for the year are produced, both in statutory form and also in a more reader-friendly version. The latter version is posted on the web-site and incorporated into the Annual Report.

The process and timetable for producing the Authority's five-year budget will continue to link to the 2010/11 Corporate Plan, the MTFP, and to work with IRMP. A full detailed breakdown of the planning cycle is set out in the attached appendix.

## **7 Improvement Planning**

Improvement planning covers two key areas:

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

### **IRMP**

Having recently published its new strategic IRMP Plan, the Authority's main thrust with the IRMP process through the next three years will be the progression of its IRMP Priorities, as stated therein. At the July Annual Meeting the IRMP Members' Working Group will present a proposed Action Plan for 2010/11, which includes three proposals for change to the Service.

One of these proposals involves significant financial growth over the next three years, whilst the other offers the potential for significant efficiency savings. The overall costings of these proposals have already been input into the financial planning cycle, but Members of the IRMP Members' Working Group are very conscious of the fact that they need to consider the levels of uncertainty surrounding future revenue support grant from 2011/12 onwards, whilst consulting on the proposals.

The actual costs to be incurred from this year's proposals will not be fully known until the project work is further advanced and Members have made their final decisions on how to progress them at their December meeting.

### **Performance Framework**

The major milestone relating to the performance framework assessments, undertaken by the Audit Commission, is the publication of the Comprehensive Area Assessment (CAA) results, currently scheduled for October/November 2009. The results of the assessment will help inform the Authority of areas of focus for 2010/11 improvement priorities.

The structure of CAA consists of an organisational assessment (service specific) and an area assessment (locally agreed priorities through local area agreements). The organisational assessment judges how effectively the Service uses its resources and how well it manages performance. The area assessment focuses on the contribution the Fire and Rescue Service is making to improved local service outcomes.

Performance Framework findings have been an important mechanism in shaping the Authority's key priorities in the past and will continue to do so in the future. Following the publication of the CAA results the Authority will be in a position to consider the findings of the Audit Commission when establishing its priorities for the Service for 2010/11.

## **8 Summary**

This report sets out the proposals to continue the process of aligning the Authority's and Service's various planning regimes into one Integrated Strategic Planning Process. The outcome of the proposals set out will deliver two overarching integrated strategic documents – a forward- looking 'Corporate Plan' and a backward-facing performance report – the 'Annual Report.'

## **9 Financial Implications**

There are no direct financial implications arising from this report.

## **10 Legal Comment**

There are no direct legal implications arising from this report.

## **11 Equality Impact Assessment**

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

## **12 Appendix**

Strategic Planning Timetable

## **13 Background Papers**

### **Strategy and Resources Committee**

21 May 2009, Report 6 - Integrated Strategic Planning Process 2010/11: Financial Issues.

Implications of all of the following have been considered and, where they are significant (i.e. marked with an asterisk), the implications are detailed within the report itself.

Balanced Score Card		Integrated Risk Management Planning	*
Business Continuity Planning		Legal	
Capacity		Member Involvement	
Civil Contingencies Act		National Framework	*
Comprehensive Performance Assessment	*	Operational Assurance	
Efficiency Savings		Retained	
Environmental		Risk and Insurance	
Financial	*	Staff	
Fire Control/Fire Link		Strategic Planning	*
Information Communications and Technology		West Midlands Regional Management Board	
Freedom of Information / Data Protection / Environmental Information		Equality Impact Assessment	*

## Strategic Planning Process

Month	Service Planning	Financial Planning	Improvement Planning	
			IRMP	Audit
July	<p><b>3<sup>rd</sup> - CFA approves proposal for 2010/11 Strategic Planning timetable</b></p> <p>Review "What if" matrix</p> <p>Consider potential growth, efficiencies and service requirements for 2010/11</p>	<p><b>3<sup>rd</sup> - CFA agrees:</b> <b>Annual Statement of Accounts 2008/09</b> <b>Medium Term Financial Plan (MTFP) 2009/10</b> <b>Service and Financial Planning Process 2010/11</b></p> <p>Officers review Directorate and Departmental Plans, revenue and capital budgets, together with financial plans with partner organisations.</p> <p>Policy Group receives monthly reports on capital and revenue spending in line with progress on service plans. In particular, pay awards, price increases, prudential guidelines, efficiencies and the St Michael's Street project are monitored.</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, where necessary.</p>	Outline costs of IRMP proposals established	Managing performance audit (includes operational assurance)

Month	Service Planning	Financial Planning	Improvement Planning	
			IRMP	Audit
July cont.		<p>“What-If” Budget savings are reviewed. A meeting of the Budget Working Group will be called to consider this review and other aspects of officers’ work in time to report to the Strategy and Resources Committee on 17<sup>th</sup> September.</p> <p>Lead Officers and the Partnership Assessment Group (PAG) consider any partnership resource needs.</p>		
August	Tasks above continue throughout August	Tasks above continue throughout August	Consultation	
September	<p>PG Paper requesting officers to consider growth/efficiencies and impact on 2010/11 capital schemes (review of 2010/11 capital items and efficiency savings)</p> <p>Futures workshop</p>	<p>Tasks above continue throughout September</p> <p><b>17<sup>th</sup> - S&amp;R receives progress report on budget planning issues and puts forward a Budget Strategy for 2010/11 and later years.</b></p>	Consultation	
October	<p>Final deadline for growth and capital items and efficiencies prior to evaluation</p> <p>PG receives results of growth evaluation, capital items and efficiencies</p> <p>Strategic planning workshops</p>	<p><b>14<sup>th</sup> - CFA approves budget process, setting out the key issues it wishes officers to explore</b></p> <p>Officers prepare reports on the budget, disaggregated in the way previously used, as follows:</p> <p>i Changes to the base budget, i.e. the net cost of delivering the policies and services currently approved;</p>	Consultation	<p>Audit Commission final report on outcomes of CAA.</p> <p>Improvements to feed into service planning if appropriate.</p>

Month	Service Planning	Financial Planning	Improvement Planning	
			IRMP	Audit
October cont.		<ul style="list-style-type: none"> <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 (presumed to flow from the updated What-If analysis);</li> <li>v The cost, both capital and revenue, of new, and previously unapproved capital projects, i.e. new starts scheduled from 2010/11 onwards; and</li> <li>vi Changes to reserves and balances</li> </ul>		
November	<b>12<sup>th</sup> - S&amp;R receives officers' reports on the six areas above, summarised and converted into overall budget implications for 2010/11 and later years. This forms the basis of a budget recommendation to the Fire Authority.</b>		<b>12<sup>th</sup> - S&amp;R receives report on IRMP future budget implications.</b>	
	<b>26<sup>th</sup> - APMC receives report on monitoring responsibilities for strategic planning</b>  Develop 2010/11 Corporate Plan			

December	Develop 2010/11 Corporate Plan	<b>16<sup>th</sup> - CFA agrees a budget for both expenditure and income, which will form the basis for consultation with the public, local business and other stakeholders.</b>  Consultation on budget	<b>16<sup>th</sup> - Report to CFA on outcomes from consultation for decision</b>	
January	Refine Corporate Plan and set performance targets  Produce draft Corporate Plan 2010/11  Officers develop Directorate/Departmental plans	Consultation on budget  <b>(Date TBA) S&amp;R finalises budget proposal</b>	Primary implementation tasks begin	
February	<b>(Date TBA) CFA agrees 2010/11 Corporate Plan</b>  Officers develop Directorate/Departmental plans	<b>(Date TBA) CFA agrees final budget for 2010/11 and later years and fixes the precept for 2010/11</b>	Primary implementation tasks	
March	<b>(Date TBA) S&amp;R agrees performance targets</b>  Officers develop Directorate/Departmental plans  Refine Corporate/Directorate/Departmental plans  31 <sup>st</sup> - Release Performance Summary	Draft MTFP  Produce Budget Booklet	Primary implementation tasks	<b>(Date TBA) APMC receives annual audit &amp; inspection letter.</b>

April	1 <sup>st</sup> - Corporate Plan 2010/11 and Directorate/Departmental plans come into effect  Develop Annual Report		Major implementation tasks begin	
May	Develop Annual Report	<b>(Date TBA) prepare the draft for the 2011/12 financial planning process.</b>		
June	<b>(Date TBA) CFA agrees Annual Report</b>  30 <sup>th</sup> - Release Annual Report	<b>(Date TBA) CFA agrees the 2010/11 MTFP and Annual Statement of Accounts 2009/10</b>		

### Key

CFA	Combined Fire Authority	OA	Operational Assurance
UOR	Use of Resources	BWG	Budget Working Group
PAG	Partnership Assessment Group	VFM	Value for Money
APMC	Audit and Performance Management Committee	IRMP	Integrated Risk Management Plan
S+R	Strategy and Resources Committee	MWG	Members' Working Group
PG	Policy Group	MTFP	Medium Term Financial Plan
TBA	To be arranged	CAA	Comprehensive Area Assessment