

WIRRAL COUNCIL

CABINET

15 APRIL 2010

REPORT OF THE CHIEF EXECUTIVE

FINANCIAL AND SERVICE PLANNING AND PERFORMANCE MANAGEMENT

1. EXECUTIVE SUMMARY

- 1.1. This report provides the timing and content of the financial and performance management reports to be submitted to the Cabinet during 2010/11 and the proposed process and timetable for the production of financial and service plans for 2011/12.

2. INTRODUCTION

- 2.1. The Vision for Wirral is 'a more prosperous and equal Wirral, enabling all communities and people to thrive and achieve their full potential'. The Vision together with a set of corporate strategic objectives and aims lead to the Corporate Plan 2008/11 which was agreed by Council on 21 April 2008. This Plan is subject to an annual review and after consideration of the priorities by Cabinet on 15 October 2009 the revised Plan 2010/11 was approved by Cabinet on 18 March 2010.
- 2.2. The Corporate Plan includes the objective of creating an Excellent Council. The business planning process and how delivery is monitored and evaluated are key factors in the Council's journey towards excellence. The achievement of the outcomes the activities are delivering and the difference made to the quality of life for local communities being key measures of progress.
- 2.3. The focus of the regulatory framework, the Comprehensive Area Assessment (CAA), is very much on outcomes, and how the Council manages the resources available - including finance, people, assets and natural resources - and manages risk are instrumental in whether outcomes are achieved. The Corporate Plan provides a robust framework within which progress towards achieving the priorities and outcomes may be monitored.
- 2.4. The benefits of linking finance to performance have been recognised as 'Councils perform well when they have clear frameworks for managing performance that support Council priorities and link to planning and budget-setting'. In recent years this annual report, (previous report presented to Cabinet on 9 April 2009), has highlighted the improvements made in this area and the Council continues to strive for greater integration to help deliver the Council Vision.
- 2.5. For 2009/10 the following are a summary of improvements made:-

- 2.5.1 The Council Tax explained booklet was enhanced to set out what the Council intended to do in the year. To assist with the planning process regular updates were presented to Cabinet looking at the financial projections for 2010/11 and the longer 2011/14 period. The Council then agreed a sustainable budget for 2010/11 on 1 March 2010 whilst at the same time approving the Treasury Management Strategy, Schools Budget and the initial Council Carbon Budget.
- 2.5.2 Cabinet received a presentation in the month following each quarter which highlighted the progress in implementing the objectives within the Corporate Plan. This was supported by a summary quarterly performance and financial report being placed within the Council Library along with detailed appendices on performance, financial, risk and customer services monitoring. This information was also made available in a form appropriate to Cabinet Portfolio Holders and Overview & Scrutiny Committees. The in-year monitoring saw the monthly Financial Monitoring Statement sent to all Members and reported to Council Excellence Overview & Scrutiny Committee.
- 2.5.3 An Annual Report was produced which provided both performance and financial information for the 2008/09 financial year. This expanded upon the financial detail contained in the Summary of Accounts 2008/09 leaflet.

3. TIMETABLE FOR 2010/11

- 3.1. Processes for planning and monitoring performance underpin the cycle of continuous improvement. The planning and performance framework enables us to identify our priorities and targets for the future, and then to monitor progress. Appropriate, corrective action may then be taken if the internal or external environment changes, for example, the recession, and there is a risk that targets may not be achieved. All activity then informs future planning.

Cabinet	Planning Reports	Performance Reports
March	Council Tax Booklet 2010/11 People Strategy/Workforce Plan Projected Budget 2011/14	
June		Performance & Financial Monitoring 2009/10 Year-end Annual Financial reports 2009/10 including Insurance and Treasury Management reports
Audit Committee June		Statement of Accounts 2009/10 (pre-Audit)
July	Projected Budget 2011/14	Performance & Financial Monitoring for 2010/11 Qtr 1
September	Projected Budget 2011/14 Corporate Plan 2011/12 – review of priorities Medium Term Financial Strategy Capital Strategy Investment Strategy/Asset Plan IT Strategy/Development Plan	Annual Report 2009/10 plus a review of all 2009/10 indicators Summary of Accounts leaflet Medium Term Financial Plan Capital Strategy Investment Strategy/Asset Plan IT Strategy/Development Plan

	Risk Management Strategy Customer Access Strategy People Strategy/Workforce Plan Equality & Diversity Strategy Commissioning Strategy	Risk Management Strategy Customer Access Strategy People Strategy/Workforce Plan Equality & Diversity
Audit Committee September		Statement of Accounts 2009/10
October		Performance & Financial Monitoring for 2010/11 Qtr 2
November	Projected Budget 2011/14 Insurance Fund Budget 2011/12	
December	Capital Programme 2011/14 Provisional Local Government Finance Settlement	
January	Corporate Plan 2011/12 Department Plans 2011/12	Performance & Financial Monitoring for 2010/11 Qtr 3
February	Final Local Government Finance Settlement Council Budget 2011/12 Schools Budget 2011/12 Carbon Budget 2011/12 Treasury Management 2011/12	
March	Council Tax Booklet 2011/12 Projected Budget 2012/14	
June		Performance & Financial Monitoring 2010/11 Year-end Annual Financial reports 2010/11 including Insurance and Treasury Management reports
Audit Committee June		Statement of Accounts 2010/11 (pre-Audit)

4. PLANNING REPORTS

4.1. The key components of the planning process are service and financial planning. Corporate and service planning sets out how the Council will deliver its priorities and improve services that meet the needs of the citizens of Wirral. Financial and other resources are then aligned to the priorities in order for this to happen in the most cost effective and efficient way.

4.2. Corporate Plan

4.2.1. The Council's Vision is, "A more prosperous and equal Wirral" agreed by Cabinet, 14 November 2007. This is articulated in the Corporate Plan which sets out the overall strategic direction for the Council and includes medium term aims, priorities and targets. The Plan is updated annually and was most recently agreed by Cabinet, 18 March 2010.

4.2.2. Following the agreement of the Annual Budget the Council Tax Booklet is distributed to all households with the Council Tax bill and sets out the Council's plans for the year along with information from other agencies funded through the Council Tax.

4.2.3. The Council reviews the priorities within the Corporate Plan each year. This review is informed by the views of residents, local businesses and other stakeholders and considers current levels of performance and whether this needs to be improved. The annual review includes current performance and achievements for the previous year, and an overview of future objectives, priorities and targets for forthcoming years.

4.2.4. Performance in relation to the Corporate Plan is included under Section 6.2 and this will also form part of the Annual Report referred to in Section 5.2.

4.3. Departmental Plans

4.3.1. Departmental and service planning underpins the Corporate Plan and translates high level strategic objectives into activity. The Departmental Plan format was revised for 2010/11 and now includes:

- Departmental overview
- Contribution to the Council's Corporate Plan
- What are we going to deliver?
- What are the financial and other implications of or plans?
- Departmental Risks

4.3.2. Departmental plans are also reviewed annually so they may inform the corporate planning process. Progress on Corporate and departmental objectives may then be monitored and reported at the same time within the planning and performance framework.

4.4. Individual Plans/Key Issues Exchange

4.4.1. The Key Issues Exchange (KIE) enables staff to identify exactly how they contribute to their respective section or team objectives. Through the hierarchy of plans which lead to the Corporate Plan and overall objectives this provides staff with a 'clear line of sight' so that they can see how they contribute to the aims of the Council.

4.5. Medium Term Financial Strategy / Plan

4.5.1. The Medium Term Financial Strategy considers financial issues at a strategic and organisational, rather than at a departmental or operational, level covering a period of more than one year. Used to identify the resource requirements to deliver the aims identified in the Corporate Plan the Strategy informs the annual budget setting process and includes the following:-

- Executive Summary and statement of principles.
- National issues including the Government Comprehensive Spending Review and Local Government Finance Settlement.
- Local issues including the priorities for Wirral and Council objectives.
- Capital and revenue plans set in context.
- Risk assessment.

4.5.2. The Strategy is reviewed on an annual basis. Additionally there are in-year reports to Cabinet and Council Excellence & Overview Scrutiny Committee which provide an update on the Projected Budget over the period of the Strategy. More detailed reports relating to the annual budget-setting process are regularly also provided to Cabinet and the Excellence Committee.

4.5.3. The Government Comprehensive Spending Review (CSR) in 2007 and the Local Government Finance Settlement for 2008/11 included figures for the three year period with the 2010/11 figures confirmed by the Government in January 2010. In terms of the next CSR this is anticipated to be during 2010 although the timing and format will be dependant upon the Government resulting from any General Election.

4.6. Capital Strategy / Programme

4.6.1. The Capital Programme looks at the medium term bringing together the capital requirements emerging from service strategies and reviews. It prioritises the capital needs of services and seeking to maximise opportunities for cross-cutting/joined-up investment with local partners.

4.6.2. The process follows that approved by Cabinet on 23 July 2008 (Capital Investment Programme – guidance document) which is to be updated in 2010 and covers:-

- The identification and prioritisation of schemes for inclusion.
- The approval process and implementation of the approved projects.
- The monitoring and reporting of the approved programme.

4.6.3. All submissions for inclusion are evaluated and prioritised under key criteria which link to, and take account of, the priorities identified in the Corporate Plan by stating the outcomes and risks of implementing, or not implementing the scheme.

4.6.4. Each December the Cabinet receive a report on the capital programme which incorporates the requirements for on-going schemes as well as a prioritised list of new submissions and the financing options available. The financial implications of the agreed programme are then reflected in the annual budget.

4.7. Annual Budget

4.7.1. By 10 March each year the Council has to set Council Tax levels for the following financial year – the annual budget setting process. A composite report is presented to Cabinet and Council containing:-

- Foreword by the Director of Finance.
- Draft departmental revenue budgets.
- Agreed Capital Programme.
- Agreed Insurance Fund budget.

The same meeting also considers the Schools Budget and, from 2010, also considers the Treasury Management Strategy and the Carbon Budget, with 2010 seeing the production of the Council's initial Carbon budget.

- 4.7.2. Once agreed the Budget is detailed in the Council Tax Booklet along with further information regarding the Council's plans and the work of other agencies funded through the Council Tax (see section 4.2.2).
- 4.7.3. The Projected Budgets for subsequent years of the Medium Term Financial Strategy are regularly updated in reports presented to Cabinet and Council Excellence Overview & Scrutiny Committee (see section 4.5.2). These highlight variations based upon later, and more specific, information and details regarding Government funding proposals.
- 4.7.4. The Government Comprehensive Spending Review (CSR) presently takes place every three years and informs a three year Local Government Finance Settlement. However, in each financial year the Government will still issue a Provisional Settlement in December which then becomes a Final Settlement in the following January / February.

4.8. Other Strategies

- 4.8.1. A number of other Strategies and associated Plans assist with the delivery of the Vision for Wirral and the aims and objectives set out in the Corporate Plan. All are influential in determining the allocation of the finite resources the Council has available to deliver its aims as well as the aspirations of the people of Wirral and include:-
- Investment Strategy and Asset Management Plan.
 - Information Technology Strategy and IT Development Plan.
 - People Strategy and Workforce Plan.
 - Customer Access Strategy and Change Plan.
 - Equality and Diversity Strategy.
 - Treasury Management Strategy,
 - Risk Strategy and Risk Register.
- 4.8.2. To ensure consistency in approach, to maximise opportunities and to make best use of the available resources the various strategies are subject to an annual review. This review will be undertaken prior to the Strategies being reported to Cabinet in September alongside the Corporate Plan update and before the annual budget-setting and departmental planning process. The annual review will:-
- Focus upon the corporate objectives and priorities.
 - Consider performance for the previous year.
 - Inform future plans.

5. PERFORMANCE - ANNUAL REPORTS

- 5.1. The annual Statement of Accounts is a legal requirement and has to be published by 30 June. The Statement is then subject to External Audit inspection which must conclude before 30 September. Supporting the Statement are a number of year-end financial reports which cover:-
- Revenue spend and financing including reserves and provisions.
 - Capital spend and financing.

- Cash collection and performance.
 - Treasury management annual report.
 - Insurance Fund annual report.
- 5.2. The Council will again publish an Annual Report which will present an overview of performance in the preceding year together with plans for forthcoming years. The Report will contain financial information with the Summary of Accounts leaflet also being made available. Additionally, there will be a separate, year end performance report to Cabinet presenting all National and Local performance indicators that will inform future detailed planning and budget setting processes.

6. PERFORMANCE AND FINANCIAL - MONITORING REPORTS

- 6.1. Changes in 2009/10 saw the placing of monitoring reports in the Council Library within two weeks of the end of each quarter and a presentation given by the Deputy Chief Executive / Director of Corporate Services to the next available Cabinet. To build upon this in 2010/11 a presentation will continue to be provided to the Cabinet following the end of each quarter with a formal report to the next available Cabinet. The report plus supporting appendices will also be placed in the Council Library.
- 6.2. The report and presentation to Cabinet will be prepared by the Deputy Chief Executive / Director of Corporate Services, with support from the Director of Finance, will outline the progress being made towards delivering the Corporate Plan objectives. The detailed information and analysis relating to performance and finance will be available in the Library and will include the summary plus the departmental reports of Chief Officers. Cabinet will consider performance indicators and that may require further consideration and refer to Overview and Scrutiny.
- 6.3. **Performance monitoring provides progress against projects and indicators**
- 6.3.1. A range of performance measures are reflected in the Corporate Plan and Departmental / Service plans. Reports to Cabinet will focus upon measures in the Corporate Plan and those to Overview & Scrutiny Committees on the Departmental / Service Plans.
- 6.3.2. The performance summary will be prepared by the Deputy Chief Executive / Director of Corporate Services and the appendix placed in the Library will include the summary plus the departmental reports of Chief Officers and as a minimum will include references to:-
- Progress on delivering the key projects.
 - Progress on delivering the Corporate Plan indicators.
 - Actions to be taken to address any variances from the planned performance.

6.4. Financial monitoring compares spend against the approved budget

- 6.4.1. Effective financial management ensures that spend remains within available resources and that resources are used in the manner intended. The importance of budgetary control justifies financial monitoring being separately identified in the report with the focus upon spend against the approved budget.
- 6.4.2. The financial summary will be prepared by the Director of Finance and the appendix placed in the Library will include the summary plus the departmental reports of Chief Officers and as a minimum will include references to:-
- Growth items including progress on implementing policy options.
 - Savings targets set and the progress made in meeting them.
 - Impact of any Cabinet decisions that have budgetary implications.
 - Variations from the approved budget including over/underspends, any additional income received and any compensatory adjustments.
 - Issues that will have implications in the Medium Term.
- 6.4.3. All Members will continue to receive the 1 page monthly Financial Monitoring Statement prepared by the Director of Finance.

6.5 Capital monitoring identifies progress against the capital programme

- 6.5.1. The Capital Investment Programme is subject to an annual review and the 2010/13 Programme was agreed by Council on 14 December 2009.
- 6.5.2. The capital summary will be prepared by the Director of Finance and the appendix placed in the Library will include the summary plus the departmental reports of Chief Officers and will report progress on schemes/projects approved as part of the programme with reference to:-
- The original approved programme and any approved variations.
 - Details of current year actual and forecast expenditure for each project.
 - Comments on progress including any variations (actual and forecast).
 - The completion of any schemes/projects.

6.6 Risk monitoring

- 6.6.1. The Corporate Risk Register is subject to regular review and was agreed by Cabinet on 13 September 2009. The Register shows how the risks relate to each objective, incorporating those identified as having the potential to impact upon the delivery of Council aims and which will be regularly monitored.
- 6.6.2. The risk summary will be prepared by the Director of Finance and the appendix placed in the Library will include the summary plus the departmental reports of Chief Officers and will include references to:-
- Progress on delivering the actions stated in the Register.
 - Performance information for each risk in the Register.
 - Any variations to the risk ratings identified in the Register.
 - Any 'new' risks worthy of consideration for inclusion in the Register.

6.7 Customer services monitoring

- 6.7.1. Information from the people of Wirral is obtained through various means including residents' surveys and Area Forums. Complementary to these more generic approaches is the flow of information through the customer services access channels relating to more 'individual' comments which could help inform future service delivery.
- 6.7.2. The customer services summary will be prepared by the Director of Finance and the appendix placed in the Library will include the summary plus departmental information. Whilst including references to the following there will be consideration of trends and possible improvements:-
- Customers complaints and compliments.
 - Ombudsman enquiries.
 - Councillor and Members of Parliament requests.

7. GOVERNANCE ARRANGEMENTS

- 7.1. Council determines the Corporate Plan, including any revisions to reflect changing priorities, and agrees the Annual Council Budget, including the Capital Programme and Schools Budget. Cabinet as the key decision-making body makes recommendation regarding the Plan and the Budget and monitors delivery of the objectives within the Plan within the resources available. Portfolio Holders and Overview & Scrutiny Committees are kept informed of progress within their particular areas of responsibility.
- 7.2. Within the officer structure there are similar arrangements. The Chief Officer Management Team maintains the high level overview with Corporate Improvement Group (CIG) providing the forum for more detailed challenge and discussion. It is this group that works together to secure improvements and review the various strategies. This includes the links between them and also the Corporate Plan, to inform Chief Officers in providing evidence to influence the future direction of the Plan and the Budget.
- 7.3. Below the CIG are various specialised groups including Performance management, Information Strategy and Customer Services in order that the service planning and monitoring arrangements are effective at all levels and cascaded throughout the organisation. Each group will have in place workplans focussed around achieving the objectives of the Corporate Plan.

8. FINANCIAL IMPLICATIONS

- 8.1. There are none arising directly from his report.

9. STAFFING IMPLICATIONS

- 9.1. There are none arising directly from this report.

10. EQUAL OPPORTUNITY IMPLICATIONS / EQUALITY IMPACT ASSESSMENT

- 10.1. The implementation of the Council's corporate plan will have positive equal opportunities impact. The projects and activities identified in the Corporate Plan are included in the ongoing programme of equality impact assessments. This work is monitored by the Corporate Equalities and Cohesion Group and the Council Excellence Overview and Scrutiny Committee.
- 10.2. An equality impact assessment will be completed for the review of corporate priorities and will be reported to Cabinet in September 2010.

11. HEALTH IMPACT ASSESSMENT

- 11.1 The implementation of the Council's corporate plan will have positive impact on health. A programme to increase the capacity within the Council for conducting health impact assessments is being developed.

12. COMMUNITY SAFETY IMPLICATIONS

- 12.1. There are none arising directly from this report.

13. HUMAN RIGHTS IMPLICATIONS

- 13.1. There are none arising directly from this report.

14. LOCAL AGENDA 21 IMPLICATIONS

- 14.1. There are none arising directly from this report.

15. PLANNING IMPLICATIONS

- 15.1. There are none arising directly from this report.

16. LOCAL MEMBER SUPPORT IMPLICATIONS

- 16.1. There are none arising directly from this report.

17. BACKGROUND PAPERS

- 17.1. None were used in preparing this report.

18. RECOMMENDATIONS

- 18.1. That the dates for the planning and monitoring reports be agreed.
- 18.2. That the process for financial and service planning and performance management be agreed.

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