

# CHESHIRE EAST COUNCIL

## REPORT TO: CORPORATE SCRUTINY COMMITTEE

---

**Date of Meeting:** 12<sup>th</sup> June 2012  
**Report of:** Director of Finance & Business Services  
**Subject/Title:** Business Planning Process Update  
**Portfolio Holder:** Councillor Raynes

---

### 1.0 Report Summary

1.1 To provide an update on the Business Planning Process to cover:

- The comments made by the Corporate Scrutiny Committee in March 2012.
- The outline Business Planning Process going forward.
- The suggested timing of the Budget Task Group meetings.

### 2.0 Decision Requested

2.1 To note the contents of the report, the key stages of the process to create a 2013/2016 Business Plan and the timing of Budget Task Group.

2.2 To determine the membership of Budget Task Group.

### 3.0 Reasons for Recommendations

3.1 To respond to a formal request from the Corporate Scrutiny Committee at their meeting in March 2012.

### 4.0 Wards Affected

4.1 Not applicable.

### 5.0 Local Ward Members

5.1 Not applicable.

### 6.0 Policy Implications including - Carbon reduction - Health

6.1 The report outlines the process that will influence policy creation.

## **7.0 Financial Implications (Authorised by the Director of Finance and Business Services)**

7.1 None.

## **8.0 Legal Implications (Authorised by the Borough Solicitor)**

8.1 The Council should have robust processes so that it can meet statutory requirements and fulfil its fiduciary duty.

## **9.0 Risk Management**

9.1 The steps outlined in this report help to mitigate the four main legal and financial risks to the Council's financial management:

- The Council must set a balanced Budget.
- The Council must set a legal Council Tax for 2013/2014.
- The Council should provide high quality evidence to support submissions for external assessment.
- That Council borrowing will comply with the Treasury Management Strategy which is underpinned by the Prudential Code.

## **10.0 Background and Options**

10.1 The Business Plan for 2012/2015 was approved at Council in February 2012. This was the result of a revised Business Planning Process which integrated the setting of corporate priorities with the setting of the Budget.

10.2 It was agreed Corporate Scrutiny Committee would have the Overview and Scrutiny role for the process to create the Business Plan. To carry out this role the Committee created an informal sub-group called the 'Budget Task Group'. The use of an informal group enables flexibility in terms of meeting at key stages of the process and reviewing private material.

10.3 The work of the Budget Task Group was the subject of a report to the Committee in March where Members considered the process and final Business Plan.

10.4 Details on the comments made by the Committee in relation to the process and Business Plan and further briefing are set out in the following appendices:

Comments from Corporate Scrutiny Committee.

Appendix 1

The Business Planning Process 2013/2016 -  
Broad Timescale

Appendix 2

- 10.5 A report to launch and set out details of the new Business Planning Process for 2013/2016 will be taken to Cabinet on 23<sup>rd</sup> July 2012. Further briefing will be provided to all Members as part of the launch process on 24<sup>th</sup> July 2012.
- 10.6 Given the proposal to retain Budget Task Group with representation from wider Overview and Scrutiny the Committee is asked to agree membership of the Group.

#### **11.0 Access to Information**

- 11.1 The background papers relating to this report can be inspected by contacting the report writer:

Name:	Lisa Quinn
Designation:	Director of Finance & Business Services
Tel No:	01270 686628
Email:	<a href="mailto:lisa.quinn@cheshireeast.gov.uk">lisa.quinn@cheshireeast.gov.uk</a>

## Appendix 1

### Comments from Corporate Scrutiny Committee

The issues raised by the Committee and the measures to address those are set out below:

Committee Feedback	Proposed Solution
Provide opportunities for all Overview and Scrutiny Committees to have an input to the Business Planning Process.	The Budget Task Group will include representation from other Overview and Scrutiny Committees to observe, contribute and report back to their Committees.
Confusion over which version of the Business Plan was the latest.	Agenda papers will provide clarity as to which versions of published, or non-published, material will be the subject of discussion for each meeting.
Provision of suitable hardware to enable meetings to access financial information electronically.	<p>The recommended solution is for Members to use their Council laptops during the Task Group meetings.</p> <p>All Members of the Council have already been offered a laptop to help perform their duties. The laptops include the standard package of Microsoft Office software, access to e-mail and the internet. These machines could be used to view documents etc.</p> <p>Alternatives, such as I Pads are being trialled but a business case has not yet been taken forward.</p> <p>All material will be made available electronically before, during and after the meetings (where possible).</p>
Changes made to policy proposals during the process should be tracked and easily identifiable.	Comprehensive records are maintained within Finance. The approach to version control between documents will be enhanced to allow members to track changes made during the process. These will be shared with the group as required.

Committee Feedback	Proposed Solution
<p>Improve the narrative relating to the proposals and provide more detailed figures within the Business Plan.</p>	<p>To be addressed within the next Business Plan to ensure:</p> <ul style="list-style-type: none"> <li>- the format is explained in advance.</li> <li>- appropriate narrative is provided to enhance understanding of the proposals.</li> <li>- the impact of proposals on the priorities for the Council are made clear.</li> <li>- proposals are shown at the relevant level of detail.</li> </ul> <p>It should be noted that the Business Plan deliberately grouped smaller efficiency or housekeeping items that did not warrant Member debate into one line. These were explained within footnotes to the relevant pages. This approach will continue in order to focus on the main options.</p>
<p>Overview and Scrutiny should be given an opportunity to comment on the emerging priorities influencing the Business Plan by September of each year at the latest.</p>	<p>To be addressed as part of the revised process.</p>
<p>The Business Plan is too long and a more succinct version should be produced.</p>	<p>The Business Plan (including the Budget) is necessarily a long and complex document as it deals with the whole Council's service and financial plans in a single place.</p> <p>Further consideration will be given to a summary version, however, such a document requires resources to produce and publish and is ultimately of limited use in terms of restating the main document.</p>
<p>The link between the summary tables and detailed tables needs to be clearer.</p>	<p>To be addressed though text references and links on the electronic version.</p> <p>This will be assisted by launch of the Budget Book and a FAQs document.</p>
<p>The links between Annex 3 (Process, Financial Position and Key Changes) and Annex 7 (Three Year Budget Tables) should be clearer.</p>	<p>To be addressed as part of the next process.</p> <p>Budget Task Group will be involved in debate over the new document format where possible.</p>

## Appendix 2

### The Business Planning Process 2013/2016 Broad Timescale

#### Introduction

Following approval of the Business Plan for 2012/2015 work has been quickly started by Cabinet Members and CMT to develop the new process for creating a Business Plan for 2013/2014 onwards.

This reflects the ongoing challenges facing the Council in terms of cost pressures and the funding changes being introduced by Government which give the Council a limited opportunity to influence its funding levels.

A full report will be taken to Cabinet on 23<sup>rd</sup> July 2012 to update all members on the process.

#### Key Changes

The timetable has not been finalised but key changes include greater 'task group' working to develop policy, consider options and inform debate.

#### Key Stages

The following key stages are proposed:

June / July	CMT identify issues and potential options.
July	CMT / Cabinet Members review issues, potential options and estimated financial envelope. Agree direction in terms of priorities and options to be explored.
August / September	Create Task Groups to develop more detailed options based on direction. Link with Policy Advisory Groups.
October / November	Challenge and Consult.
December / January	Draft Business Plan.
January	Consult.
February	Business Plan.

## Appendix 3

### Suggested Budget Task Group Meetings

Given the proposed timetable at **Appendix 2** the following Budget Task Group dates are proposed for the new process.

Mid June (Post Corporate Scrutiny Committee)	Set Terms of Reference. Briefing on expected new process and an opportunity to comment.
Early July	Review Draft Cabinet Report
Late July	Review direction in terms of emerging priorities and options.
August / September	Meetings with groups to develop detailed options.
October	Participate in challenge.
November	Consider format of Business Plan
December	Review early Draft Business Plan.
January	Comment on issued Draft Business Plan.
February	Comment on Business Plan.