

# Strategic Planning Process 2011/12 and the Medium Term Financial Plan

## Report of the Chief Fire Officer

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### 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 2011/12 Corporate Plan and a five-year joint medium term service and financial plan.

### 2 Recommendations

The Strategy and Resources Committee is asked to:

- a) Note the impact of Public Value on the current strategic planning process; and
- b) Note the proposals to review the production of the current Medium Term Financial Plan (MTFP).

### 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 adopted in subsequent years, up to, and including 2010/11.

However, with the Authority adopting Public Value a number of changes to the current strategic planning process are required.

In addition the Medium Term Financial Plan (MTFP) has been placed on the Authority's website and no amendments have as yet been suggested. The Committee plans that the 2011/12 MTFP will be a working document, incorporating Service Planning, and will be approved alongside the 2011/12 budget at the February meeting of the Authority. This approach would then be followed in subsequent years.

#### **4 Service Planning 2011/12 and beyond**

The focus of Service Planning for 2011/12 and subsequent years is now being considered as part of the Public Value process. This process is currently being developed and implemented under the direction of the Fire Authority's Strategic Risk and Planning Group (STRaP).

The actual process spans a twelve-month period and involves engagement with a wide range of stakeholders through structured consultation sessions. The outcome from the process will be a detailed five-year change programme, incorporating the Authority's statutory IRMP obligations and underpinned by a joint medium term service and financial plan.

Officers will continue to update members via STRaP on outcomes of the Public Value process and ensure it is consistent with the current budget planning cycle.

#### **5 Financial Planning and the Medium Term Financial Plan**

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, revenue support grant and the level of the potential precept. To be effective, strategic planning must ensure that all service plans are consistent with the budgets as agreed each February. The Medium Term Financial Plan must be prepared in a consistent way to aid future planning.

Traditionally the MTFP has been updated as part of the annual planning process and agreed three months into the new year by the Authority at its June meeting. Although the MTFP is a key element of the process it has always been produced as a standalone document, primarily focused on financial issues.

In supporting the Public Value process it is proposed that the MTFP is reviewed and developed into an all encompassing five-year joint medium term service and financial plan. It will become a working document and will detail how the Service intends to develop, cost and implement future proposals/changes that will be identified as part of the Public Value process.

The process and timetable for producing the Authority's five-year budget will continue to link to the 2011/12 Corporate Plan, the five-year medium term service and financial plan, and to work within the public value framework. An outline of the planning cycle is set out in the attached appendix.

## **6 Improvement Planning**

Traditionally improvement planning has covered 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.

As part of the ongoing strategic planning process these two areas will remain, however IRMP will now be subsumed within Public Value.

Improvements identified by the Audit Commission/Internal Audit will continue as in previous years, with this year's findings released in Autumn 2010.

## **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 Service's 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.

## **10 Appendix**

Strategic Planning Milestones

## **11 Background Papers**

Report 12 – Fire Authority 28 April 2010 – Implementing Public Value

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.

Business Continuity Planning		Legal	
Capacity		Member Involvement	*
Civil Contingencies Act		National Framework	
Comprehensive Area 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	
Integrated Risk Management Planning			

## **Strategic Service and Financial Planning Process**

### **2010**

- 16 June Combined Fire Authority (CFA) Approves:
- The Annual Statement of Accounts; and
  - The final draft Medium Term Financial Plan (MTFP).
- 21 July CFA approves the service and financial planning process.
- 23 September Strategy and Resources (S&R) Committee receive reports:
- From officers and/ or Budget Working Group on financial work and developments;
  - From Strategic Risk and Planning Working Group on Public Value work.
- 13 October CFA receive recommendations from S&R Committee on the service budget process and key issues that need to be developed.
- 11 November S&R Committee develop service and budget recommendations for CFA.
- 15 December CFA agree a budget proposal for consultation.

### **2011**

- January S&R Committee finalise the budget and Service/ MTFP.
- February CFA agree the budget and Service/ MTFP.