

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	2 nd December 2010
DIRECTOR	Stewart Carruth
TITLE OF REPORT	Business Plan 2011/12 to 2015/16
REPORT NUMBER	CG/10/202

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present to members the proposed Business Plan for the five year period 2011/12 to 2015/16.

2. RECOMMENDATION(S)

- 2.1 It is recommended that Members:
- (i) consider the content of the draft Business Plan; and
 - (ii) make recommendations to Council on 15th December 2010 in regard to the Business Plan and specifically the transformation, efficiency and stop / reduce options outlined in the Business Plan to achieve a balanced budget taking account of any feedback from consultation.
- 2.2 It is also recommended that Members give guidance to Director on further changes or service options to be explored over the coming weeks.

3. REPORT AUTHOR DETAILS

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Aberdeen City Council Five year Business Plan - 2011/12 to 2015/16

Executive Summary

1. For Aberdeen City Council in early 2010 the dominant influences on its future funding and service delivery environment were:
 - that according to a number of external sources including CPPR, KPMG, local authorities in Scotland will require to generate between 10% - 15% savings in real terms over the next three years
 - this meant that Aberdeen city council would be required to deliver between £50 and £75 million savings over three years from 11/12 to 13/14; And
 - that in order to realise savings of this scale and to continue to deliver high quality services, the Council would have to engage staff, partners, stakeholders and citizens to determine the nature of service delivery, the level of service standards and the method of delivering these services ; Therefore
 - to perform successfully in this environment the Council would have to forward plan, for the period of known financial settlements, with the express view of utilising public engagement to prioritise the services to be delivered and to clearly identify those services which will no longer be funded; With
 - the overall context of this activity being to ensure that there is achievement of the corporate strategies and objectives of the Council

2. From this position a set of objectives were determined for the council:
 - to produce a five year Business Plan that funds and develops prioritised services
 - ownership of the programmes of transformation, required to develop and deliver the prioritised services, by Directorates and Elected Members
 - to conduct this work through a dynamic process that encouraged cross directorate challenge and corporate thinking and behaviors' to create a corporate Business Plan
 - to be able to continue the process into the second and subsequent years

3. The process adopted encompassed:
 - confirmation of service hierarchy, per Directorate and across the Council (what services are actually delivered)
 - identification of service costs (not budgets) and of addressable spend
(taking into account the current costs and content)
 - future requirements built into the data via demographics, legislation, etc., and the effect they will have on service demand, service cost, service location, service support, e.g. capital investment to give the totality of expectations and the associated cost, currently and through the next five years

- formation of service options, for all services in service hierarchy (looking for transformation, efficiency, stop / reduce options and where there is a need for transformation or investment how to fund that, e.g. making posts self funding)
 - review of service options by managers in the home Directorate;
 - Directorate agreement on prioritised service options with short, medium and long term impact
 - then Corporate agreement on programmes for transformation; efficiency changes and cost cutting measures
 - which led to the creation of the five year Business Plan, encompassing the above programmes and providing a budget that will combine making the necessary savings and building for the future and noting risks associated with implementation
4. Core to the creation of the Business Plan has been a meaningful engagement with a wide range of staff, partners, and stakeholders. This has led to there being a wide spread understanding of what the future could be and how they can contribute to shaping the actuality of that future. That in turn changes the roles for these groups from passive recipients to being active in the wider community.

The engagement undertaken has included:

- meetings with stakeholders, per Directorate, during the development of options
 - top 100 stakeholders being involved in a council wide session
 - questionnaires being made widely available from all council offices and with local press support
 - website prompts for comments and also provides the questionnaire
 - City Voice – citizens panel used for feedback
 - briefings of press from Chief Executive and Administration Leaders
 - analysing the feedback and working that into the development of the service options
5. The outcomes achieved by adopting this approach include:
- enhancement of leadership at all levels of the council
 - direction of travel established making planning and implementation more straightforward
 - confirmation from engagement activity of the priorities for the council
 - provision of data on an equitable basis across all Directorates on which to base objective decision making
 - active buy-in from all engaged with as they have a remit in forming the future
 - dialogue and discussion is focused on the issues and impact of change
 - collectively moves a wide spectrum of interested parties to a position where shared acceptance of the outcomes of decision making can be achieved
 - clearly identifies what the workforce planning requirements are so enabling planning to address these issues