

Subject	Annual Update of the Corporate Planning Framework	Status	For Publication
Report to	Authority	Date	9 th February 2023
Report of	Director		
Equality Impact Assessment	Not Required	Attached	No
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1 Purpose of the Report

- 1.1 To approve the annual updates to the Corporate Strategy and Medium Term Financial Strategy.
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2 Recommendations

- 2.1 Members are recommended to:
- a. Approve the updated Corporate Strategy (at item 8a) and Medium Term Financial Strategy (at item 8b).**
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3 Link to Corporate Objectives

- 3.1 This content of the Corporate Strategy is influenced by all of the corporate objectives , but this report particularly links to the delivery of the following corporate objective:

Effective and Transparent Governance

To uphold effective governance showing prudence and propriety at all times.

4 Implications for the Corporate Risk Register

- 4.1 The various actions outlined in the Corporate Strategy are intended to positively impact on the level of risk exposure as set out in the Corporate Risk Register, which his contained in the updated Corporate Strategy at Appendix A.

5 Background and Options

- 5.1 Each year alongside the budget the Authority updates its Corporate and Medium-Term Financial Strategies to take account of the actual delivery of projects and the emergence of new priorities. This report presents these updated strategies for approval.

Corporate Strategy

5.2 The key updates when compared to the Strategy approved this time last year are:

- The completion of a number of tasks.
- The revision of timelines for some tasks
- Some additional focus on people issues.

5.3 As in previous years there is a fair amount of slippage in terms of delivery. This reflects the ongoing effect of the capacity issues which the Resources and Resilience Review approved by the Staffing, Appointments and Appeals Committee in October and reflected in the budget elsewhere on the agenda for this meeting seeks to address. To date none of this slippage has proved critical, but it does reflect the weakness in project planning and management which the new Programmes and Performance Team is seeking to address.

Medium Term Financial Strategy

5.4 The key changes reflected in the Strategy are:

- The inclusion within the Strategy of the investment agreed as part of the Resources and Resilience Review.
- The continuing cashflow negative position of the Pension Fund which means that there is an ever-increasing focus on harvesting investment income and is a key factor in the review of the Investment Strategy.

5.5 The Medium-Term Financial Strategy also includes some information on comparative costs. Broadly the Authority has maintained its position relative to others although investment costs in 2021/22 do stick out as out of line. However, this is due to the fact that around 50% of the costs reflected here represent performance fees paid to managers within the Alternatives portfolios whose strong performance has been a key driver of the improvement in the overall funding level over recent years.

5.6 The Strategy also highlights the increasingly volatile and uncertain environment in which the Authority operates and recommends an increase in the allowed level of reserve holdings to manage this level of risk.

5.7 The deployment over the coming year of a new risk and performance management system should improve both the reporting and monitoring of progress in delivering the Corporate and other strategies.

6 Implications

6.1 The proposals outlined in this report have the following implications:

Financial	The Medium-Term Financial Strategy outlines the likely trajectory of income and expenditure for both the Operating Budget and the Pension Fund over the coming years. These forecasts indicate an increasing need to rely on investment income to meet the cost of benefits which is reflected in the review of the investment strategy while the operating budget forecast indicates that while financial stability is maintained the demands being placed on the organisation and the wider operating environment continue to place upward pressure on costs.
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Human Resources	The Corporate Strategy and Medium-Term Financial Strategy in combination reflect the already approved need to increase the Authority's staffing significantly in order to address the increasing demands being placed on the organisation. In addition, there remain a number of key HR related deliverables within the Corporate Strategy which will contribute to overall organisational sustainability.
ICT	The Corporate Strategy contains a number of significant ICT projects and developments which will support improvements in both efficiency and effectiveness.
Legal	None directly
Procurement	Procurements identified in the Corporate Strategy will be undertaken in line with the relevant procurement legislation.

George Graham

Director

Background Papers	
Document	Place of Inspection