

From: Paul Carter, Leader of the Council
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To: Policy & Resources Cabinet Committee
2nd December 2016

Subject: Business Planning 2016/17 and 2017/18

Classification: Unrestricted

Summary: This report reviews the 2016/17 business-planning process and sets out the proposed business planning arrangements for 2017/18 for agreement.

Recommendations:

The Committee is asked to:

- (1) **Note** on the review of the 2016/17 business planning process
- (2) **Agree** the business planning arrangements for 2017/18 (Section 3)

1. INTRODUCTION

- 1.1 The Strategy, Policy, Relationships and Corporate Assurance division is responsible for coordinating the authority's business planning process. Each year a review of the previous year's planning process is undertaken in order to make recommendations to Policy & Resources Cabinet Committee regarding any changes necessary for the next year's business planning arrangements.
- 1.2 This paper highlights key findings from the 2016/17 business planning review and seeks endorsement of the proposed changes for 2017/18.
- 1.3 The business planning process for 2016/17 was designed to better support us to become a strategic commissioning authority. The focus was on developing directorate plans that were leaner and more focused on outcomes. There were new requirements to focus on directorate priorities linked to the Strategic Statement outcomes, use the commissioning cycle to help plan commissioning activity and to identify internal and external service provision.
- 1.4 A light touch business planning review was undertaken in June 2016 which focused on gathering feedback from key business planning contacts across the authority to reflect on what went well and what could be done to improve the 2017/18 process.

2. POLICY FRAMEWORK

2.1 Business Planning is a key management responsibility to ensure the authority has clear plans in place to deliver the strategic objectives set out in KCC's Policy Framework. Whilst business plans do not provide delegated authority, they do have a strong link with the formal decision making process, clearly setting out strategic priorities which may require a subsequent key decision. In the 2016/17 process, all directorate business plans were required to outline key decisions expected over a 3 year period, to inform medium term planning.

3. BUSINESS PLANNING 2016/17 REVIEW

3.1 2016/17 is the third year that business plans have been produced at directorate level. The review of business planning in 2015/16 found that the directorate process had been successful, and so the process was largely kept the same for 2016/17, with some iterative improvements to support the move towards KCC becoming a strategic commissioning authority.

3.2 The 2016/17 business planning round was successful in a number of areas including:

- Elected members and informal governance groups found that the new commissioning information was much clearer and more useful to inform agenda planning.
- Directorate plans were lean yet comprehensive, more focused and more accessible.
- Many felt there was a stronger link with outcomes.
- Defining Cabinet Member priorities at an earlier stage worked well and helped to inform directorate and divisional priorities.
- There is a strong and well-established process for service and divisional planning across the authority.
- Whilst divisional/service planning is important, many felt that a high-level, strategic plan that reflects the authority's collective priorities is valuable and should be maintained.

3.3 The review also highlighted areas where improvements can be made, which have been addressed in the proposal for the 2017/18 business planning process:

- Whilst progress is being made in embedding the commissioning cycle across the authority, the detailed Analyse, Plan, Do, Review information became quite complex and could benefit from being simplified to ensure it remains timely and relevant.
- There is potential to improve consistency in commissioning information, and minimise duplication by focusing on the contracts register as the most appropriate place for detailed contractual information.
- Whilst it is important that the directorate business plans focus on the most significant commissioning activity, there should be sufficient flexibility to reflect issues of strategic importance, risk and political priority, in addition to financial value.

- There is an opportunity to ensure consistency between business plans and other key performance documents including the Quarterly Performance Report.
- There needs to be a continued emphasis on moving the focus of business planning from an annual to three year rolling cycle, to better reflect medium term planning priorities.

4. RECOMMENDATIONS FOR THE 2017/18 PROCESS

- 4.1 As in the previous three years, the intention is to iteratively improve the process again in 2017/18 to support KCC's move to become a strategic commissioning authority.
- 4.2 Broadly, we are proposing that the overall process for developing directorate business plans remains the same. The final directorate business plans will be approved by the relevant Cabinet Member/s and Corporate Director, and be shared for information with the relevant Cabinet Committee in March 2017. Directorate business plans will continue to be published on the KCC website.
- 4.3 As in previous years, divisional level plans do not require formal approvals but will be published on KNet for accessibility and transparency purposes.
- 4.4 To respond to the findings of the review we are proposing some changes to the content of the directorate business plans. **Appendix 1** provides a list of the content to be included. The main changes are as follows:
 - Each business plan will reflect on progress against last year's directorate priorities, given the emphasis on a three year rolling plan. Business plans will also set out the directorate's approach for ongoing monitoring and review of the plan.
 - A new section will be added on the operating environment context which may impact on the directorate over the next three years, anticipating cost and demand management pressures, legislative or regulatory change and demographic change. This will provide context for priority setting.
 - Each business plan will clearly articulate directorate rather than divisional priorities. These will be informed by the relevant business planning priorities agreed by Cabinet Members and County Council in the Strategic Statement Annual Report (**Appendix 2**) and focus on how each directorate will contribute to delivering the outcomes in the Strategic Statement.
 - The list of internal and external services will remain, but be simplified.
 - Each directorate will define the most appropriate 'significant' commissioning and service activity to include for the next 3 years (2017-2020), with flexibility to consider complexity, risk, strategic importance and profile. The commissioning information will be simplified with an emphasis on the expected costs and key decision date (if required). More detailed commissioning and procurement information will continue to be available on the contracts register.

4.5 Based on these proposals, outline timescales for the development, approval and publication of 2017/18 directorate business plans are provided in the table below:

Directorate Business Planning 2017-18 Timescales	
Month	Tasks
October – December 2016	<ul style="list-style-type: none"> • Annual Report on KCC’s Strategic Statement sets out political business planning priorities for 2017/18 • Directorate and divisional ‘bottom up’ business planning discussions to shape priorities and operating environment context • Policy & Resources Cabinet Committee (2016/17 business planning review and agree approach for 2017/18)
January – February 2017	<ul style="list-style-type: none"> • Directorate business plan development
March – April 2017	<ul style="list-style-type: none"> • Final directorate business plan agreed by Corporate Director and by Cabinet Member/s • Final directorate business plan to relevant Cabinet Committee/s for information • Final directorate plans published on Kent.gov

4.6 Divisional and service level plans will be developed alongside directorate level plans and should be approved in time to be published on KNet in May 2017.

5. RECOMMENDATIONS

The Committee is asked to:

- (1) **Note** the review of the 2016/17 business planning process
- (2) **Agree** the business planning arrangements for 2017/18 (Section 3)

Appendices:

Appendix 1: Directorate Business Plan 2017/18 – contents

Appendix 2: Annual Report Business Plan Priorities 2017/18

Background Documents: None

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Appendix 1: Directorate Business Plans 2017/18 – Contents

Proposed Requirements for Directorate Business Plans 2017-18

- A. Directorate structure and purpose
- B. Progress on the 2016-17 directorate priorities
- C. Directorate priorities for 2017-18
- D. Directorate operating environment
- E. Services provided by the directorates
- F. Significant commissioning and service activity
- G. Resources
- H. Risks
- I. Organisational development
- J. Performance indicators and targets
- K. Monitoring and review

A. Directorate structure and purpose

Plans should include a brief description of the directorate purpose and structure, explaining the role of each division and the responsibilities for any client side functions.

B. Progress on the 2016-17 directorate priorities

Plans should reflect on progress against last year's directorate priorities (not divisional priorities) set out in the 2016-17 directorate business plan. This should be provided in a simple table, with a brief narrative against each priority.

2016-17 Priority	Directorate	Brief commentary on progress

C. Directorate priorities for 2017-18

Twelve political business planning priorities for 2017-18 were agreed by Cabinet Members in September 2016 as part of the Annual Report on KCC's Strategic Statement. These should be reflected in directorate priorities to inform divisional/service planning.

There is no requirement to also include divisional priorities. These are most appropriately detailed in divisional and service plans.

D. Directorate operating environment

Directorates should consider the wider context and operating environment over the next 3 years, particularly where this could impact on the demand for services. The plans should briefly list (high level bullet points) any horizon scanning issues which may impact on the directorate business.

E. Services provided by the directorates

A simple list of internal and external services within the directorate should be provided in the table format below:

Service Name	Internal or External	If external, please provide the contract end date.

There is no requirement to include a description of services or list contract values or provider names, as in previous years.

F. Significant commissioning and service activity

Directorates will define the most appropriate 'significant' commissioning and service activity to include for the next 3 years (2017-2020). It is recommended that the financial value threshold for contracts should be over £1m per year however directorates will also consider strategic importance, complexity, risk and profile.

G. Resources

This information will be in the same format as 2016/17, based on division by division spend from the Budget Book (once agreed in February 2017) and FTE count (single point in time).

H. Risks

Key risks from the Directorate and Corporate Risk Register should be summarised.

I. Organisational development

A brief description of organisational development priorities for the directorate to reflect the forthcoming Organisational Development Strategy and any priorities emerging from Organisational Development Groups or directorate succession planning work.

J. Performance indicators and targets

Last year's Key Performance and Activity Indicators should be reviewed. Indicators and targets must be consistent with the Quarterly Performance Report and Directorate Dashboard and agreed by the Corporate Director and Cabinet Member/s.

K. Monitoring and review

The directorate should briefly set out how they intend to monitor and review the delivery of the business plan. Corporate Directors are responsible for any monitoring and review arrangements, as owners of the plan.

Appendix 2: Annual Report Business Plan Priorities 2017/18

Strategic Outcome 1:	Strategic Outcome 2:	Strategic Outcome 3:
<i>Children & young people get the best start in life</i>	<i>Kent's communities feel the benefits of economic growth by being in-work, healthy and enjoying a good quality of life</i>	<i>Older and vulnerable residents are safe and supported with choices to live independently</i>
<p>Ensure the attainment gap for disadvantaged children continues to close</p> <p>Effectively manage the new contract for children and young people's emotional health and wellbeing services and reduce waiting times for CAMHS services</p> <p>Continue to increase the number of apprenticeships for young people</p>	<p>Tackle obesity, particularly in Kent's deprived areas, through engagement in sport and physical activity</p> <p>Agree our Local Transport Plan 4: Delivering Growth without Gridlock for 2016-2031 and develop an effective delivery plan</p> <p>Increase the percentage of Kent's working-age population with level 3 NVQ equivalent qualifications</p>	<p>Continue to work with our partners to reduce delayed hospital discharge by ensuring people have the right support at the right time</p> <p>Reduce the number of hospital and care home re-admissions following enablement support</p> <p>Make it easier for vulnerable and older individuals, their families and carers to access advice, information and support</p>
Working better together – <i>changing how we work</i>		
Improve customer engagement activity, including consultations, surveys and focus groups, so that learning can enhance customer insight and service delivery across the authority		

Collectively work with all partners to improve openness and share information to support successful delivery of our outcomes

Improve the effectiveness of our contract performance monitoring and work with providers to develop a more open dialogue to tackle any issues early