

From: Eric Hotson, Cabinet Member for Corporate and Democratic Services
David Cockburn, Corporate Director Strategic and Corporate Services and Head of Paid Service

To: Policy and Resources Cabinet Committee, 29th June 2018

Subject: A new approach for business planning for 2019/20

Classification: Unrestricted

Past Pathway: CMT (22.05.18), CMM (18.06.18)

Future Pathway: N/A

Summary: This report proposes a new approach for business planning for 2019/20, which will replace the current Directorate Business Plans with a single Strategic Delivery Plan to support medium term strategic and financial planning.

Recommendation(s):

The Policy and Resources Cabinet Committee is asked to:

- (1) **endorse** the new approach for business planning to move to a single Strategic Delivery Plan for 2019/20.

1. INTRODUCTION

- 1.1 Since 2014/15, the corporate focus has been on Directorate Business Plans, which set out priorities and significant activity for each directorate. In 2014 delegations were removed from the business planning process, as the plans became more high level and strategic. Divisional business planning remains an important management responsibility, with divisional/service business plans detailing operational service delivery.
- 1.2 In March 2015, the Strategic Statement (*'Increasing Opportunities, Improving Outcomes'*) emphasised how directorate plans could help deliver better outcomes. It is important there is a strong connection between strategic planning (medium-term) and short-term delivery, to translate high-level priorities into tangible action.
- 1.3 Each year, the Strategy, Policy, Relationships and Corporate Assurance (SPRCA) division considers how to enhance and adapt the business planning process to ensure the plans remain fit for purpose for KCC's changing needs. In 2019/20 we will enter the last year of the current Strategic Statement, which presents an ideal opportunity to reposition business planning to ensure the process is as effective as possible.
- 1.4 A new business planning approach is proposed which will replace the directorate business plans with a single 'Strategic Delivery Plan' for 2019/20 to better support medium term strategic and financial planning,

retaining divisional/service business plans as 'operating plans' to drive activity.

2. DRIVERS FOR CHANGE

- 2.1 Cabinet Members and Corporate Management Team (CMT) have strongly supported the move towards a single plan for the authority, to capture shared priorities, provide greater accountability for delivery and inform forward planning over a rolling three-year cycle. This will strengthen collective ownership of business planning by Corporate Board.
- 2.2 Whilst the existing business planning arrangements have served the Council well over number of years, the creation of the Strategic Commissioning division means more of the Council's strategic commissioning, commercial and service activity is undertaken across Directorates. The focus on Directorate Business Plans insufficiently reflects this new cross-directorate operating reality. As high level strategic documents they do not detail delivery or set out clear accountabilities which is important in matrix delivery arrangements. The plans are also resource intensive to produce, but then duplicate other information, including content in other business plans (e.g. cross-cutting priorities and operating environment) or in other corporate processes (e.g. Quarterly Performance Report/Directorate Dashboard KPI's, Corporate and Directorate Risk Register and the Budget Book). Conversely, core activity for the authority is under-represented in the current plans – notably capital programme and project delivery.
- 2.3 Moreover, the independent inspection report on Northamptonshire County Council has highlighted the risks of misaligned strategic and financial planning frameworks. Whilst clearly KCC is not in a comparable position to Northamptonshire, there is benefit to a creating a stronger synergy between the budget development cycle and business planning cycle, and to move from an annual to three year rolling plan focus from 2020 to better complement KCC's Medium Term Financial Plan.

3. A NEW BUSINESS PLANNING APPROACH FOR 2019/20

- 3.1 It is proposed that we replace the Directorate Business Plans with a single Strategic Delivery Plan for KCC in 2019/20. The objective is to better connect delivery to KCC's strategic outcomes and corporate priorities, with clearer accountability for delivery. The Strategic Delivery Plan will be owned by the Leader and Head of Paid Service and developed collaboratively with Cabinet Members and CMT.
- 3.2 The SPRCA division will be responsible for the plan's development. There will be no corporate template or resource for the development of operating plans – Corporate Directors and Directors will determine what is required to fulfil their management responsibilities.
- 3.3 ***Elected Member Engagement***
Elected members will be actively engaged in the development of the Strategic Delivery Plan, with the engagement process starting from the

early Autumn, to test the political appetite for future priorities and inform forthcoming activity. This will be achieved through the Commissioning Advisory Board and Political Group meetings, providing a 'safe space' to test ideas, aligned to the budget discussions. This provides an opportunity for more meaningful engagement and debate than a time-limited Cabinet Committee item in the final stages of a draft business plan.

- 3.4 Elected Members will have greater transparency of future governance pathways and timescales which will be specified in the Strategic Delivery Plan and approved by the General Counsel. The final Strategic Delivery Plan will be published on Kent.gov in March 2019, once approved by Corporate Board to provide transparency. Elected members will continue to have oversight of operating plans via KNet, as per the current divisional/service business plan process.
- 3.5 Elected members will also have input to the activity set out in the Strategic Delivery Plan as it progresses through the formal decision making process. Oversight of progress will be achieved via the Annual Report to County Council, supported by the SPRCA division who will be responsible for monitoring activity in the plan. This will provide a shift in the purpose of the Annual Report from 2020, to balance tracking progress against medium/long-term outcomes with delivery of short-term activity.

Figure 1: Strategic Planning Cycle



- 3.6 **Stronger alignment with medium term financial planning**
For the first year of the single Strategic Delivery Plan in 2019/20, it will be necessary to have an annual focus, particularly as it will be the last year of the four-year local government financial settlement. However, it is intended that the new process will shift to a three-year rolling plan which is fully aligned with the Medium Term Financial Plan, with annual monitoring through the Annual Report. The three year time period will provide great longevity and focus for the delivery of the plan, complementing a new Strategic Statement from 2020. The Strategic Delivery Plan development timescale will be fully aligned with the budget development cycle. There will be a strong connection between activity in Strategic Delivery Plan and

the Budget Book (e.g. signposting capital programmes). Over time, this synergy between strategy and resources will allow greater challenge of activity which does not align with the delivery of outcomes and priorities and support prioritisation.

3.7 ***Benefits of a Strategic Delivery Plan***

The benefits of a Strategic Delivery Plan include:

- Single plan – anchor point for KCC, reduced duplication and resource.
- Action not words – clear, tangible activity, relentless focus on priorities.
- Empowering elected members – focusing effort to target impact.
- Outcomes into practice – generating action across KCC, driven by outcomes not organisational structures.
- Greater accountability – clear owners, timescales, decision authority and governance pathways.
- Monitoring – hold people to account for delivery.
- Stronger alignment with financial planning – capital becomes a core part of the Strategic Delivery Plan.

3.8 ***What will the Strategic Delivery Plan include?***

The Strategic Delivery Plan will provide a comprehensive overview of significant revenue and capital activity for the authority, including commissioning activity and critical core business (e.g. responding to Ofsted inspection). Capital activity will form a substantive part of the plan. It will set out the operating environment for KCC, capturing changes at a national and local level which will influence delivery. We will reflect on the right structure of the plan, which could be based around three strategic outcome 'chapters' and include a section on corporate priorities (e.g. assets, communications and systems). It will signpost rather than duplicate information in other documents (e.g. MTFP and Budget Book (resources, capital programmes, key service responsibilities and scale of delivery), Quarterly Performance Report/Directorate Dashboards, Risk Registers and People Strategy (including supporting strategies such as the OD Strategy/Plan and Leadership and Management Strategy).

3.9 It is intended that the Strategic Delivery Plan comes a more focused document, with succinct yet specific detail than is presently reflected in the activity tables in the current Directorate Business Plans. Core information will include start and end dates, whether EQIA screening (or other assessments to support statutory requirements e.g. GDPR Data Protection Impact Assessments) has been undertaken, budget provision, accountable owner, nature of decision authority (what is in place or needed), engagement/consultation activity and governance pathway.

3.10 ***Role of the Annual Report from 2020***

It is intended that progress against the plan will be monitored through the Annual Report to County Council, providing an opportunity to celebrate success and highlight achievements, yet be clear on challenges and where we need a greater focus on improvement. This will ensure we don't lose sight of progress towards long term outcomes we want to achieve for the people of Kent, retain different perspectives on delivery (e.g. staff, customers, partners) and highlight the customer/resident voice. The Annual Report will monitor trends to inform performance

management and identify outstanding activity that needs to roll forwards into future Strategic Delivery Plans.

4. NEXT STEPS

- 4.1 The collective development of the first Strategic Delivery Plan will begin in the early Autumn, to align with the budget development cycle led by Corporate Board. There will be early engagement of the Commissioning Advisory Group and Political Groups. The drafting process will begin by October, with a draft to Corporate Board by January. Final drafting will be completed as the budget is approved by County Council in February, ready for final approval by Corporate Board in March 2019. The final plan will be published on Kent.gov in March 2019, with operating plans published on KNet for the start of the financial year.
- 4.2 As the Strategic Delivery Plan will be prepared this Autumn, the Annual Report to County Council in October 2018 will be a similar light touch report to last year, focused on progress against the strategic outcomes. By 2020 the report will feature both progress on outcomes and monitoring of the Strategic Delivery Plan.
- 4.3 The Strategic Delivery Plan will be well-placed to support the new Strategic Statement which is due to be developed for 2020. As business and financial planning aligns, there will be further opportunities to consider how the performance framework can reflect progress against the new outcomes and priorities, in addition to service delivery.

5. RECOMMENDATIONS

- 5.1 The recommendations are as follows:

Policy and Resources Cabinet Committee is asked to:

- (1) **endorse** the new approach for business planning to move to a single Strategic Delivery Plan for 2019/20.

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