

**From:** Paul Carter, Leader of the Council  
David Cockburn, Corporate Director, Strategic and Corporate Services

**To:** Policy & Resources Cabinet Committee – 12 December 2014

**Subject:** Business Planning - 2015/16

**Classification:** Unrestricted

**Summary:** This report reviews the 2014/15 business-planning round and sets out the arrangements for 2015/16 business plans.

**Recommendations:**

The Committee is asked to:

- (1) **Comment** on the review of 2014/15 business planning round
- (2) **Agree** the business planning arrangements for 2015/16 set out in Section 3
- (3) **Agree** the recommendations for additional information to be included in Directorate Business Plans set out in paragraphs 3.6

## 1. INTRODUCTION

1.1 The Policy & Strategic Relationships (PSR) team is responsible for coordinating the annual business planning process. Each year the team reviews the previous years planning arrangements and makes recommendations to Policy & Resources Committee regarding any changes necessary for the next business-planning round.

1.2 This paper reviews the 2014/15 business planning round and seeks comments and endorsement of proposed changes for 2015/16. The review and recommendations have fully taken on the findings and implications of the Member Working Group on Commissioning, which reported to County Council in October.

## 2. Business Plans 2014/15 – Review:

2.1 It is important to remember that a number of significant changes were made to business planning in 2014/15. These included:

- a) **The removal of officer delegations from business plans:** This was undertaken to reflect the Executive Scheme of Officer Delegation in the KCC Constitution which provides the most appropriate mechanism for delegation to officers, and removes the risk of delegations being inappropriately sought through business plans. Any decisions outside of the

officer scheme require a Key or Significant Decision. The removal of delegations from business plans meant that the approval of business plans themselves is no longer a Key Decision, which provided a greater degree of flexibility in how business plans are developed and approved.

- b) **Introduction of Directorate Business Plans and focus of Member-approval of business planning at Directorate level:** Member approval of 2014/15 business plans was focused on Directorate level plans instead of circa 25 Divisional level plans as per previous years, as this was felt to be bureaucratic and overburdening Cabinet Committees with paperwork, preventing Members from focusing on the big issues facing each Directorate.
- c) **Lighter-touch oversight over Divisional and Service level business plans:** The removal of delegations and the shift from business plans being a Key Decision themselves allowed a lighter touch process to be applied to business planning at Divisional and Service level. Divisions and Services were free use planning templates that best met the need of their business and develop business plans at a granularity most appropriate to their service.
- d) **Firmer rules ensuring consistency between Business Plan performance indicators and the performance indicators reported in the Quarterly Performance Report (QPR) and Directorate Dashboards:** Firmer rules were introduced to ensure consistency between the performance indicators in the Directorate and Divisional level plans, with the performance indicators reported to Cabinet via the QPR and Directorate Dashboards reported to Cabinet Committees. Any request to *vire* performance indicators in business plans from those reported in the QPR or Directorate Dashboards require approval from the Performance and Evaluation Board (PEB).

2.3 Despite the number of changes listed above the 2014/15 business planning round was largely successful:

- a) The development of Directorate Business Plans was straightforward, with Corporate Directors and Directorate Management Teams taking strong ownership of the development of Directorate Plans, with appropriate support from the policy team.
- b) Plans were produced on time with early drafts being taken to the relevant Cabinet Committee in time for Members to influence draft plans whilst there was still sufficient time to consider each Committee's comments before approval by the relevant Cabinet Member.
- c) Feedback from across all Cabinet Committees was that focusing Member engagement on Directorate level plans supported stronger and more strategic engagement by Cabinet Committees.
- d) There was a good degree of self-discipline when producing Divisional business plans. Although the framework was relatively loose, plans were produced on time and contained all necessary information, with

almost all using the Divisional level plan template from 2013/14, despite being free to use any template that they thought appropriate.

2.3 There were a number of minor issues with the 2014/15 business planning process. The Directorate-level plans had been named Strategic Priorities Statements in an attempt to better demarcate them from Divisional plans. However, this led to some confusion about whether they were business plans or a new document sitting outside of the business planning arrangements. This is easily remedied by simply referring to them as Directorate business plans.

2.4 There were also some minor coordination issues in relation to collating Divisional level plans for publication on Knet, which will be remedied by firmer guidance to Directors and Heads of Service on the deadlines for plans to be submitted for uploading onto KNet.

### **3. PROPOSALS FOR 2015/16 BUSINESS PLANNING ROUND:**

3.1 Business planning invariably reflects the position of the authority as a whole. As such, the 2015/16 business plans need to support the move towards KCC becoming a strategic commissioning authority.

3.2 This is not to say that Directorate business plans are in a position to become strategic commissioning plans. Our success in reforming business planning in KCC over the last few years has been to avoid sudden shifts in approach, and iteratively evolve business plans each year.

3.3 As a result, we do not intend to make significant changes in the 2015/16 business planning arrangements. As with 2014/15 plans, Member approved plans will be at the Directorate level, and will be considered in draft by each relevant Cabinet Committee before approval by Cabinet Members. Directorate level business plans will be published on the KCC website.

3.4 Divisional level plans will be approved by the relevant Corporate Director in consultation with the relevant Cabinet Member and published on KNet for accessibility and transparency purposes. The table below provides a summary of the ownership, approval, consultation and publication detail for each tier of business plans:

**Table 1: Business Planning Matrix 2015/16**

Tier	Owned By:	Approved By:	Member Consultation:	Template Used:	Published:
Directorate Level business plan	Corporate Director	Leader and Cabinet Members	Cabinet Committee(s)	Corporate	KCC website
Divisional level business plan:	Director	Corporate Director	Cabinet Member(s)	None – as per needs of the business	KNet
Service level business plan:	Head of Service	Relevant Director	None - but must be accessible by Members if requested	None – as per needs of the business	Internally to Division /Directorate

3.5 The content and structure of the Directorate level plans will be broadly the same as for 2014/15 plans (and set out in Appendix 1). However, there will be some additional information provided in Directorate level plans to support Members on the Commissioning Advisory Board and Cabinet Committees better plan their forward agenda and identify forthcoming issues they may wish to explore in more detail, in support of their role in a strategic commissioning authority.

3.6 The additional information proposed for inclusion in the 2015/16 Directorate business plans is:

- a) Better identification of what services each Directorate provides and whether those services are provided in-house or by an external provider (naming the providers and where appropriate, identification of contract periods and spend on each service).
- b) Identification of major service redesign, commissioning or procurement exercises expected over a rolling three-year period to allow CAB and Cabinet Committees to plan their forward agenda. For the avoidance of doubt, ‘major’ will be defined as any redesign, commissioning or procurement that would require a Key Decision. It should be noted that this list will be indicative, as there may be unforeseen reasons (e.g. legislative changes) that might lead to service redesign or commissioning which cannot be anticipated now.
- c) Identification of where any Directorate is putting in place a Service Level Agreement (SLA) with new KCC delivery vehicles such as a Local Authority Trading Company (LATCO). Any SLA between KCC and its LATCOs will be outside of the normal business planning arrangements and developed through the governance arrangements for the LATCO. This follows the precedent set by how Commercial Services is treated for business planning purposes. Directorate level plans will however outline

where any SLA's are in place, and of course, that SLA's are outside of the normal business planning arrangements does not restrict Cabinet Committees from considering them on their forward agenda.

- d) A statement regarding the how each Directorate considers social value in its commissioning and service delivery.

3.7 In regards to the timetable for the development and approval of business plans, all tiers of plan must reflect the approved budget for 2015/16 set by County Council in February. As such, draft Directorate business plans will be considered by Cabinet Committees during their March/April meeting cycle with approval by Cabinet Members, and publication onto the KCC website, in early May. Divisional and service level plans can be developed alongside Directorate level plans but should be approved in time to be published on KNet, at the latest, by early May.

#### **4. RECOMMENDATIONS:**

4.1 The Committee is asked to:

- (1) **Comment** on the review of 2014/15 business planning round
- (2) **Agree** the business planning arrangements for 2015/16 set out Section 3
- (3) **Agree** the recommendations for additional information to be included in Directorate Business Plans set on in paragraphs 3.6

**Appendices:** Appendix 1: Directorate Business Plan 2015/16 – contents

**Background Documents:** None

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## **Appendix 1: Directorate Business Plan 2015/16 – contents**

### **Continued from 2014/15 plans:**

- How each Directorate will contribute to delivering the new corporate outcomes framework and *Facing the Challenge* for the year ahead
- Key priorities for each Division within the Directorate for the year ahead
- A short statement summarising high level actions and signposting to detailed delivery plans (e.g. transformation programme plans, project plans, action plans, category strategies, commissioning plans etc)
- Levels of resource available for each Directorate (e.g. budget, FTE establishment)
- Key Directorate risks (linked to the Directorate Risk Register)
- Workforce development priorities for each Directorate
- Key Performance Indicators and targets linked to the Quarterly Performance Report and Directorate Performance Dashboard

### **New for 2015/16 plans:**

- In-house and external service providers inc contract periods and spend.
- Executive service redesign, commissioning or procurement exercises expected over a rolling three-year period
- SLA arrangements with KCC Local Authority Trading Company (LATCO).
- Directorate statement on social value.