

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

To: Policy & Resources Cabinet Committee
10 September 2015

Subject: Business Planning 2016/17

Classification: Unrestricted

Summary: This report reviews the 2015/16 business-planning round and sets out the arrangements for 2016/17 business plans.

Recommendations:

The Committee is asked to:

- (1) **Comment** on the review of the 2015/16 business planning round
- (2) **Agree** the business planning arrangements for 2016/17 set out in section 3

1. INTRODUCTION

1.1 The Policy, Strategy and Assurance division is responsible for coordinating the annual business planning process. Each year the team reviews the previous year's 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 2015/16 business planning round and seeks comments and endorsement of proposed changes for 2016/17.

2. BUSINESS PLANS 2015/16 - REVIEW

2.1 2015/16 is the second year that business plans have been produced at Directorate level. The review of business planning in 2014/15 found that the new process had been successful, and so the process was largely kept the same for 2015/16.

2.2 The 2014/15 review did recognise however that the 2015/16 business plans needed to support the move towards KCC becoming a strategic commissioning authority. Members agreed that some additional content would be added to the directorate business plans in 2015/16 in order to achieve this. The new content was:

- 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)

- 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 agendas
- A statement regarding how each Directorate considers social value in its commissioning and service delivery

2.3 The 2015/16 business planning round was successful in a number of areas including:

- a) Business plans were developed collaboratively with DMTs and Cabinet Members, led by the Strategic Business Advisers (Strategy, Policy and Assurance) for each directorate
- b) There is clear identification of how services are provided, including external spend and contract information
- c) Sections are included in each business plan detailing how the directorate will play its part in achieving the Strategic Statement outcomes
- d) Plans were produced on time with drafts being taken to the relevant Cabinet Committee so that Members could comment on them before approval by Cabinet Members
- e) Like last year, there has been a good degree of self-discipline in producing divisional business plans. Divisions have taken the opportunity to adapt the format of these lower level plans to suit their circumstances. Divisional plans have been published on KNet.

2.4 There are a number of areas where improvements can be made, which are picked up in the proposal for the 2016/17 business planning round:

- a) The 2015/16 business plans are lengthy documents, between 50 and 80 pages, and are narrative-heavy, diluting the focus on priorities for delivery over the year
- b) The 2015/16 business plans reflect the priorities of Cabinet Members, but in some cases these priorities were captured mid-way through the process, leading to redrafting
- c) All directorates responded to the new request to identify major redesign, commissioning and procurement activity. However, the information provided tended to take a one-year view, rather than thinking forward across the next three years
- d) Having the business plans designed while still draft reduces the time available to get the draft content right

3. PROPOSALS FOR 2016/17 BUSINESS PLANNING ROUND

3.1 The change to business planning in the last two years has aimed to support KCC's move to become a strategic commissioning authority, and we have made improvements iteratively.

3.2 Broadly, we are proposing that the overall process for developing, approving and publishing business plans remains the same. 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.

3.3 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. As in 2015/16, Table 1 below provides a summary of the ownership, approval, consultation and publication detail for each tier of business plans:

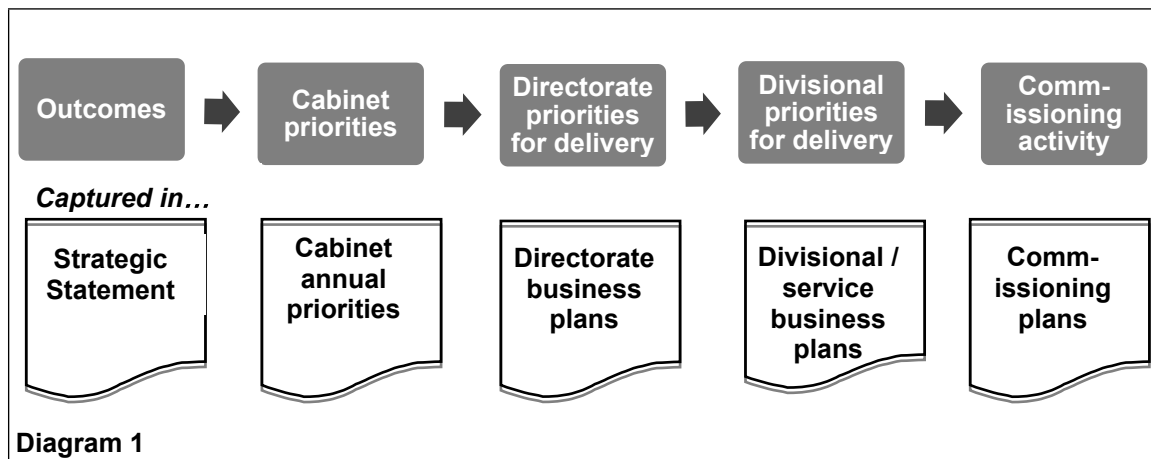
Tier	Owned By:	Approved By:	Member Consultation:	Template Used:	Published:
Directorate Level business plan	Corporate Director	Leader and Cabinet Members	Cabinet Committee(s)	Corporate	KCC website
Divisional level business plan:	Director	Corporate Director	Cabinet Member(s)	None – as per needs of the 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

Table 1: Business Planning Matrix 2016/17

3.4 To continue to support KCC's move to a commissioning authority and build on the improvements already made over the last two years, we propose some changes to the content and focus of directorate business plans and the way in which priorities are identified.

3.5 Firstly, Cabinet Members have indicated that they wish to collectively agree annual priorities for the authority over the coming year at the start of the business planning round to ensure that these are incorporated into and shape the development of the directorate business plans.

3.6 Gaining collective agreement of Cabinet's annual priorities would provide greater clarity around how the outcomes in the Strategic Statement translate into priorities for directorates and divisions to deliver each year, and therefore what commissioning activity will be required, as shown in Diagram 1 below.



3.7 It is suggested that Cabinet collectively agree their 'Top 10' annual priorities for the authority during Autumn 2015, with final agreement reached by end November.

3.8 This early identification of annual priorities will support earlier conversations at DMTs, with support from Policy, Strategy and Assurance, to identify Directorate and Divisional priorities which will need to be captured in the business plans.

3.9 We are also proposing some changes to the content of the Directorate business plans. Appendix 1 provides a list of the content to be included, and the bullet points below explain the main changes:

- Each business plan will clearly articulate directorate and significant divisional priorities, which will incorporate the relevant priorities from Cabinet's annual priorities and how each directorate will contribute to delivering against the outcomes in the Strategic Statement
- Directorates will be required to identify major service redesign and commissioning activity over the next three years. 'Major' will be defined as any activity of this nature that will require a key or significant decision. Directorates will be supported to think beyond the coming year and plan over a rolling three year period, using the stages of the commissioning cycle (Analyse, Plan, Do, Review) to map activity, and identify the point where a Key Decision will be required. This will further support Commissioning Advisory Board and Cabinet Committees to identify activity that they wish to look at so they can schedule it into their forward agendas. It will also support the organisation to plan sufficiently far ahead, which is necessary as we become a strategic commissioning authority. A template will be provided to assist directorates in providing the required information. The draft template is provided in Appendix 2, and we will adjust this as necessary based on feedback from DMTs before drafting of directorate business plans begins.
- As last year, Directorates will be required to list all in-house and external service provision, including contract value and contract end date where relevant. This year, a date for the next review of the provision will be required. Where the provision is in-house, this review will provide an

assessment of contestability, which is to be led by the service. A template will be provided to assist directorates in providing the required information. The draft template is provided in Appendix 3. As above, we will adjust this as necessary based on feedback from DMTs before drafting of directorate business plans begins.

- A new section will be added to set out the directorate's property and ICT infrastructure requirements. The intention is that this will help identify and commit services to delivering the authority's Corporate Landlord savings. It will also help Property and ICT plan ahead for requirements over the medium term.
- To reduce the length of the business plans and focus on priorities, some sections that have previously been included in directorate business plans will not be included:
 - Divisional 'Who we are, what we do'
This information has remained fairly static for the last two years and takes up a lot of space without adding significant value to the forward planning of priorities for the coming year. It is suggested that divisions make use of their individual KNet pages to explain who they are and what they do, if they wish to
 - What else drives our activity?
This section has provided lengthy narrative around the internal and external drivers that affect services. Relevant drivers and internal and external factors will be taken into account in identifying directorate priorities, so it is not necessary to include this analysis in the content of the business plan
 - Detail on transformation programmes
Transformation is now embedded into our everyday work. Therefore it is not necessary to provide explanations of the aims and scope of transformation programmes led by the directorate. As above, this will be factored into the development of directorate priorities
- It is important that we continue to document our commitment to achieving social value, but this will be better achieved through the Strategic Statement annual report which will go to County Council each Autumn from 2016. This will no longer be a requirement in the directorate business plans.
- Finally, the business planning review this year has shown that having the directorate business plans professionally designed while still draft is expensive and time-consuming, as changes continue to be made iteratively. Therefore the draft business plans presented to Cabinet Committees will be Word documents.

3.10 Based on these proposals, outline timescales for the development, approval and publication of 2016/17 directorate business plans are provided in Table 2 below:

Activity	Timescale
Development of Cabinet annual priorities	Sept - Nov 2015
Development of directorate and divisional priorities by DMTs	Dec 2015 - Jan 2016
Drafting of directorate business plans including all the required information including approved County Council budget	Feb - Mar 2016
Draft directorate business plans to Cabinet Committees	March / April 2016 round of meetings
Directorate business plans finalised taking into account Cabinet Committee comments	April – May 2016
Final collective approval of directorate business plans by Cabinet Members and publication on the KCC website	May 2016

Table 2: Timescales for development of 2016/17 directorate business plans

3.11 Divisional and service level plans can be developed alongside Directorate level plans and should be approved in time to be published on KNet in May 2016.

4. RECOMMENDATIONS

4.1 The Committee is asked to:

- (1) **Comment** on the review of 2015/16 business planning round
- (2) **Agree** the business planning arrangements for 2016/17 set out in section 3

Appendices:

Appendix 1: Directorate Business Plan 2016/17 – contents

Appendix 2: Draft template to capture major service redesign and commissioning activity

Appendix 3: Draft template to capture service provision

Background Documents: None

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Appendix 1: Directorate Business Plans 2016/17 – contents

- Corporate Director's foreword

- About the directorate summary
- Directorate priorities (crosscutting)*
- Significant divisional priorities (service-specific)*
- Identification of major service redesign and commissioning exercises expected over a rolling three-year period (using template provided)
- Identification of in-house and external service providers including contract periods and spend where appropriate, and next review date (using template provided)
- Levels of resource available for each Directorate (budget and FTE establishment)
- Property and ICT infrastructure requirements
- Key Directorate risks (linked to the Directorate Risk Register)
- Key Performance Indicators and targets linked to the Quarterly Performance Report and Directorate Performance Dashboard
- Directorate organisational development priorities

*incorporating Cabinet's annual priorities and the directorate's contribution to the Strategic Statement outcomes

Appendix 2: Draft template to capture major service redesign and commissioning activity

Category*	Description (briefly what and why)	2016/17				2017/18				2018/19			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
e.g. C	Commissioning of x service because current contract due to expire end Aug 2017	A	P	K		D	R						

***Categories:**

- Commissioning (C)
- Service Redesign (SR)

Each activity to be mapped by:

- Analyse (A)
- Plan (P)
- Do (D)
- Review (R)
- Key decision point (K)

N.B. Procurement activity is part of the commissioning 'Do' phase

Appendix 3: Draft template to capture service provision

Service*	Internal or external	If external:			Next review date**
		Contract value (£)	Provider name	Contract end date	

*Use the breakdown of services provided in the 2015/16 directorate business plan, amended as necessary

**Could be a contract break clause, contract end date, internal contestability exercise, or other review activity
There is no time constraint on the review date given