

PRINCIPAL SCRUTINY COMMITTEE

4 December 2006

SCRUTINY REVIEW – BUSINESS PLAN POST IMPLEMENTATION REVIEW

REPORT OF BUSINESS PLAN POST IMPLEMENTATION REVIEW INFORMAL SCRUTINY GROUP

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RECENT REFERENCES:

PS 253 – Scrutiny Review – Business Plan Post Implementation Review (16 October 2006)

EXECUTIVE SUMMARY:

Following the work of a previous Informal Scrutiny Panel, the Council adopted a common format for all Business Plans. A number of Members raised queries about the effectiveness of this format when Business Plans were referred to Scrutiny Panels in March this year and an Informal Scrutiny Group was set up to examine this further. An interim report was considered at the October meeting of this Committee, which agreed that some further investigation should take place.

Following its investigation the Informal Scrutiny Group recognises the importance of a sound business planning process but considers that some changes are required to ensure that business plans remain 'fit for purpose'. These are set out in the recommendations below.

RECOMMENDATIONS:

That Cabinet be asked to

1. Introduce a system to allow Business Plans to be adapted during the course of the year, with Directors or Portfolio Holders given responsibility to approve changes, with clear procedures in place to agree variations and look at what will be delayed or not be done in order for a new priority to be achieved;
2. Agree that an 'executive summary' of Business Plans be produced for consideration by Scrutiny Panels, with Panels required to identify a small number of key issues that they will be monitoring over the coming year.

That Cabinet ask the Corporate Management Team to make incremental changes to the business planning process and the format of Business Plans for 2007/08 onwards, to include the following:

3. Business Plans to take a longer term view, looking at planning work over a three to five year timescale, ideally linked to longer term funding commitments;
4. Business Plan documents to be kept as sharp and smart as possible;
5. Personal objectives, particularly for senior staff, to be clearly linked to Business Plan objectives;

6. The business planning process to be developed to help identify and link cross cutting issues and ensure that they are included in all business plans in a consistent manner – possibly through a senior management ‘away day’ or topic discussion groups involving all relevant Divisions;
7. The alignment between the various strategies and plans produced within the authority to be reviewed on an annual basis so as to remove any duplication, wherever possible;
8. A ‘business innovation award’, available to all staff, be introduced that will encourage creativity and support a culture of success.

1. Relevance to Corporate Strategy

- 1.1 The work of this Informal Scrutiny Group supports that Council’s strategic aim to manage the Council effectively. Business Plans are produced to meet the agreed objectives for:
 - Service & Financial Planning – joining up our service priorities and budget commitments; and
 - Performance Management – setting ourselves challenging, risk based targets for improvement which are adequately resourced and efficiently delivered.

Resources

- 1.2 The aim of this work is to reduce the overall administrative burden involved in producing business plans while enhancing their effectiveness. The recommendations look at ways the process could be enhanced and should not require any additional resources to deliver.

Background Documents

Notes of meetings of the Business Plan Post Implementation Informal Scrutiny Group, available on request from the Chief Executive’s Directorate.

Appendix

Business Plans: Post Implementation Review



Winchester
City Council

PRINCIPAL SCRUTINY COMMITTEE REPORT

Business Plans: Post Implementation Review

December 2006

SCRUTINY REVIEW – BUSINESS PLANS: POST IMPLEMENTATION REVIEWREPORT OF THE BUSINESS PLANS POST IMPLEMENTATION INFORMAL SCRUTINY GROUP1. Introduction

- 1.1 The Council adopted a consistent format for the preparation of Business Plans in January 2004, following a Scrutiny Review.
- 1.2 The format was initially used for the preparation of Departmental Business Plans and, following changes to the structure of the organisation in April 2005, for preparation of Divisional Business Plans.
- 1.3 Following a request by a Member, Principal Scrutiny Committee on 27 March 2006 supported a proposal to establish an Informal Scrutiny Group to carry out a post implementation review of the Council's Business Planning.
- 1.4 At its meeting on 5 June 2006, the Committee appointed Councillors Chamberlain, Chapman, Clohosey, and Rees to this Informal Scrutiny Group. Cllr Rees was agreed as Chair of the group.

2. Scope of the Review

- 2.1 The terms of reference for the review were:
 - *To examine the purpose of business plans and their current effectiveness;*
 - *To examine the process of preparing business plan;*
 - *To investigate how well Divisional Business Plans work together; and*
 - *To consider the relationship between the Best Value Performance Plan and business plans.*
- 2.2 To investigate these issues, the Group has met on four occasions and has interviewed six senior officers and the Portfolio Holder for Performance & Communications. It has also viewed the 'Covalent' Performance Management system which is in the early stages of implementation throughout the authority and has looked at the current programme for the preparation of the Community Strategy, Corporate Strategy, Budget and Business Plans.
- 2.3 Its interim conclusions were reported to Principal Scrutiny Committee at its meeting on 16 October (report PS 253 refers) and have been incorporated within this report.

3. Findings

- 3.1 Evidence given during interviews indicated that
 - 3.1.1 The need for a sound business planning process was accepted and supported;
 - 3.1.2 Business plans were being used both to translate corporate aims into actions within Divisions and to act as a 'work plan' for individual Divisions;
 - 3.1.3 The present business plans were used during the year to monitor progress being made within Divisions against agreed plans of action;
 - 3.1.4 The current format was generally understood, although there were some concerns about the usefulness of various elements of the document;

- 3.1.5 There were concerns about the ability of a single format to meet the needs of all potential audiences, with particular attention drawn to the different needs of the executive's management role and the role of scrutiny in holding the executive to account;
- 3.1.6 The current annual planning horizon was seen as too short;
- 3.1.7 Too many actions included within business plans were aspirational, with no realistic hope that the full business plan commitments could be achieved within the financial year;
- 3.1.8 The current approach did not have sufficient flexibility to adapt to changing priorities during the course of the year;
- 3.1.9 Corporate work and projects were not reflected consistently in all relevant business plans.
- 3.2 The Group also noted that work on rolling forward the Council's corporate strategy, which was ultimately translated into individual Business Plans, commenced as soon as possible after elections, with the annual nature of the elections making it difficult to start the process any earlier.
- 3.3 The Group recognised that the Covalent performance management system would, once it was rolled out, allow key information currently contained within Business Plans and progress being made against this to be more accessible to both staff and Members.
- 3.4 The recently published Government White Paper was also considered, with attention drawn to proposals designed to support longer term planning with consistent leadership for set four year terms.

4. Conclusions

- 4.1 Based on the evidence presented the Group concluded that:
 - There was a need for some form of business planning as it was important for the Council to set out, clearly and logically, how it intends to deliver the needs of the community;
 - There was also a need for some form of business planning so that individual Heads of Division have a clear and agreed work programme that can also be used to monitor their progress;
 - It was helpful to have a corporate template;
 - Information on business planning needed to be accessible to Councillors, in particular Portfolio Holders and those on Scrutiny Committees and Panels, in a form that was clear and allows work to be properly scrutinised.
 - Business Plans were also used to encourage all Heads of Division to consider issues such as workforce development, risk and consultation requirements and provide information that can be collated to give a corporate overview.
- 4.2 However, the Informal Scrutiny Group raised a number of concerns with the present format of Business Plans and processes that surround their preparation:
 - There was a need to clarify how business plans were providing 'added value' to the work of the organisation and to maximise their impact;

- The process and documentation needed refinement, with the overall volume of individual plans being reduced and a greater emphasis given to outcomes and delivery;
- Work planning needed to have a longer time horizon – looking three to five years into the future to tie in with the Corporate Strategy and budget processes;
- The current format was insufficiently flexible to allow changes that will inevitably occur during a year to be reflected in Business Plans,
- Programmes of work and projects cutting across more than one division were not expressed consistently in all relevant Divisional Business Plans;
- There was also a need to strengthen resource planning across departments and recognise the reactive nature of the work of some support Divisions;
- The single format was currently seeking to serve too many audiences with a need to look at how business plans help to form a basis for monitoring performance throughout the organisation;
- The process for business plan preparation does not do enough to encourage staff creativity and innovation;
- The timescale for developing Business Plans appeared to be too short.

5. Recommendations

- 5.1 In light of its findings, the Group proposed that an incremental change should be made to the format of Business Plans for 2007/08 onwards, to include the following changes:
- Business Plans to take a longer term view, looking at planning work over a three to five year timescale, ideally linked to longer term funding commitments;
 - Business Plan documents to be kept as sharp and smart as possible;
 - Personal objectives, particularly for senior staff, to be clearly linked to Business Plan objectives;
 - The business planning process to be developed to help identify and link cross cutting issues and ensure that they are included in all business plans in a consistent manner – possibly through a senior management ‘away day’ or topic discussion groups involving all relevant Divisions;
 - The alignment between the various strategies and plans produced within the authority to be reviewed on an annual basis so as to remove any duplication, wherever possible;
 - An ‘executive summary’ of Business Plans be produced for consideration by Scrutiny Panels, with Panels required to identify a small number of key issues that they will be monitoring over the coming year;
 - A system to be introduced to allow Business Plans to be adapted during the course of the year, with Directors or Portfolio Holders given responsibility to approve changes, with clear procedures in place to agree variations and look at what will be delayed or not be done in order for a new priority to be achieved;
 - A ‘business innovation award’, available to all staff, be introduced that will encourage creativity and support a culture of success.