

Management Board

Strategic and Business Planning for 2011/12

*Paper by the Strategy, Planning & Performance Co-ordinator
Office of the Chief Executive*

Purpose

1. This paper provides an update on work to produce a strategic plan for 2010 to 2015, a corporate business plan for 2011/12 and departmental business planning. It also includes some specific issues on which the Board's views are sought.

Actions for the Board

2. The Board is asked to:
 - (a) Confirm whether it wishes OCE to continue to develop the strategic plan, as previously discussed, or to postpone work on the strategic plan until early 2011/12 and instead focus on business plans for 2011/12 (paragraphs 3-5).
 - (b) Give its views on the outline strategic plan and in particular to consider whether the strategic plan should be limited only to forward-looking developments, or whether it should include business-as-usual activities (paragraph 9).
 - (c) Revisit the scope of the vision and strategic goals in more detail at its workshop on 21 January, as part of a wider discussion on the balanced scorecard and risk management (paragraph 11).
 - (d) Give its views on the outline business plan for 2011/12 and in particular to consider whether to remove detailed budget information from the body of the corporate business plan, and instead include only summary tables (paragraphs 14-15).
 - (e) Consider whether House departments should adopt a context-specific approach to interpreting strategic goals, or whether there should be direct alignment of departmental to strategic goals (paragraphs 16-17).

Context: business planning audit

3. This year's business planning process is subject to an internal audit. The head of IA suggests that consideration should be given to whether, in the light of capacity constraints and the need to ensure that the detail of the strategic plan is developed in tandem with the "radical redesign" phase of the Savings Programme, it might be better to postpone detailed work on the strategic plan until early in 2011/12. Instead, in the meantime an "outline" or "emergent" strategic plan would be developed that seeks to take the strategy to the next level of detail, but without including firm and more detailed commitments. The focus in the short-term would be on developing the corporate and departmental business plans for 2011/12.

that, as far as possible, reflect the high-level strategy and emerging strategic plan.

4. Some of the feedback on the previous draft plan supported the idea of delaying work on the next version of the strategic plan and focusing on business planning. On the other hand, the point was also made that a strategic plan should drive the “radical redesign” phase, and that a clear view on redesign might not emerge for a little while. Some BMDs also wanted clear guidance from the centre sooner about how departmental plans should be structured.
5. **The Board is asked to confirm whether it wishes OCE to continue to develop the strategic plan, as previously discussed, or to postpone work on the strategic plan until early 2011/12 and instead focus on business plans for 2011/12, as proposed by Internal Audit.**

Strategic plan

6. Over the summer OCE developed a draft strategic plan. The four headline adjectives from the strategy (respected, effective, efficient and informed) were treated as themes. The bullet points under each theme (e.g. open and transparent way of doing business) were treated as objectives. For each objective, we considered the following headings:
 - What we do now (business as usual activities)
 - What we need to do differently (development activities)
 - Where we want to get to (description of the future)
 - How we measure success (KPIs)
 - What might stop us (risks).
7. The Board discussed the plan on 22 September. Feedback since then from Board members has been broadly positive, if lacking in specifics. Recent discussions, including with BMDs, suggest that while the approach set out in that draft has been a useful development tool, it may not be the best way to structure or present the plan itself. In particular, that draft plan does not resolve the issue of how to link business-as-usual activities with longer-term strategic goals, an issue raised by most BMDs, who argued that including BAU was essential, as for most staff this is the main element of their job. If it is intended to link PDMs to the strategy, BAU therefore can't be excluded.
8. Some informal research has been undertaken by OCE into strategic planning in Commonwealth parliaments and the devolved bodies in the UK. Much of this has been informative, especially material from the Parliament of South Africa. This research has been used to help devise a new structure for the draft strategic plan.

9. While the structure is new, most of the content has, for the time being, been drawn from existing sources (and is annotated accordingly). A one-page “strategic outline” brings together the mission and draft core objectives (business as usual); and the vision and strategic goals (looking forward). **The Board is asked to consider whether the strategic plan should be limited to forward-looking developments, or whether it should also include business-as-usual activities.**
10. More fundamentally, BMDs have raised the question of whether the strategic plan should relate only to the House Service or to the House of Commons more widely. There is some tension between the vision and first two strategic goals (respected and effective) on the one hand, which appear to relate to the House of Commons as a whole, and the rest of the strategy, which is focused on the House Service. Is it consistent to have a vision which the organisation alone cannot achieve? Or should the more detailed strategic plan make clear that it only relates to activity within the control or influence of the House Service?
11. This issue was discussed earlier in the year when the strategy was first developed. However, if Board members feel this is an “elephant in the room”, then perhaps the issue should be revisited. One solution might be to draft some narrative text that explains how and why the House Service seeks to improve the standing (respect and effectiveness) of the House of Commons as an institution. **The Board is invited to give its views, and in particular is asked to consider this matter in more detail at its workshop on 21 January. The Board is also asked to consider whether there are any other aspects of strategic planning it wishes to discuss at the workshop.**

Corporate business plan for 2011/12

12. A draft corporate business plan is attached as Annex C. This has a similar structure to the draft strategic plan, but with the focus primarily on activities and developments that will be undertaken in 2011/12. As in previous business plans, directorates and offices are mapped to the objectives to which they contribute.
13. Departments will be asked to contribute additional text, outlining:
- Performance targets for key business-as-usual activities. These should be tangible enough to be reported on in the Commission Annual Report in June 2012 and will filter through to the new corporate balanced scorecard.
 - Strategic developments that will either start, be continued or completed during 2011/12. Again, these should be tangible enough for progress to be reported in the Commission Annual Report.

- Changes to activities / services that will arise due to the Savings Programme.
14. Last year's business plan included forecast outturn and indicative budgets for each directorate, which were then aggregated to provide figures for the cost of each core and supporting task. While this approach goes some way to showing the costs of different activities there is a risk that it injects a somewhat spurious level of accuracy. For example, the cost of "providing a skilled and motivated workforce" has the costs of HRM&D allocated to it. In practice, there will be many managers across the House who spend some of their time recruiting and developing staff, but whose costs are not reflected.
 15. With the financial trajectory for planning years now more uncertain in the light of the Savings Programme, OCE questions whether it would be possible to provide financial information at this level of detail that would be sufficiently meaningful to justify the work required. **The Board is invited to consider whether to remove detailed budget information from the body of the business plan, and instead include only summary tables.**

Departmental business plans

16. Discussions with departments have highlighted the question of how the strategic goals should be interpreted at departmental level. On the one hand they can be applied context-specifically so that, for example, "respect" applies to customers' perceptions of services whatever the service and whoever the customer. Alternatively, departmental objectives could be aligned directly with the corporate strategic goals. Under this approach, and using the same example, departmental business plans would show what they are doing as a department to make the House more respected by the public. The first approach is more holistic, as it assumes that all teams and indeed individual members of staff, are able in their work to contribute to more than one aspect of the strategy. The latter is a more functional approach: it assumes that particular teams or directorates exist principally to support a specific element of the strategy.
17. One department has developed two versions of its outline strategy: while the content of both versions is the same, the way in which activities are aligned to corporate strategic goals differs. This issue is an important one, since it has implications for how departments develop a "line of sight" between corporate goals, departmental objectives and ultimately individual staff objectives. **The Board is asked to consider whether they favour the context-specific approach or direct alignment to corporate goals.**

Proposed timetable for business planning 2011/12

18. The Board is reminded of the planning timetable:

When?	Who?	What?	Why?
9 Dec 2010	Management Board	Outline (very draft) corporate business plan	Agreement of broad approach / structure
13 Dec 2010	Commission	2011/12 Estimate	Formal agreement / sign-off
27 Jan 2011	Management Board	Draft corporate plan	Consideration of content
3 Feb 2011	Departments	Draft departmental plans	For OCE consideration / input to Board paper
17 Feb 2011	Management Board	Draft departmental plans	Consideration of inter-departmental dependencies; prioritisation; managing resources corporately.
14 Mar 2011 (NB: this is a deadline, not a meeting)	Management Board	Final corporate plan	Formal agreement / sign-off in readiness for consideration by Commission
10 Mar 2011	Departments	Final departmental plans	For OCE consideration / input to Board paper
21 Mar 2011	Commission	Final corporate plan	Formal agreement / sign-off
24 Mar 2011	Management Board	Final departmental plans	Formal agreement / sign-off

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