

Business Planning for 2014/15

Proposed approach and timeframe

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Background & Context

1. At present there is a corporate business plan covering 2013-14 prepared in the early days of the HSCIC. Going forward the expectation is that there will be business plans for all the Directorates as well as a corporate business plan (consolidating the directorate views).
2. There are some key DH business planning milestones for ALBs that the HSCIC needs to take into consideration. Our DH sponsors will be expecting to see a draft business plan in January 2014 and the final business plan in February. (We are in the process of trying to determine the exact dates to help our own planning timetable.) Moreover, the HSCIC Board will need to approve the new plan (as set out in their Terms of Reference).
3. In parallel with the HSCIC's strategy and business planning work, there are on-going discussions with the DH Sponsors and our major customers over the commissioning and system wide prioritisation approach for informatics and the HSCIC's contribution to, and leadership of, key elements of health and social care's information and technology agenda. This is being managed by the Informatics Services Commissioning Group (ISCG). The ISCG is bringing together all national organisations that have an informatics interest in the commissioning and planning round.
4. An ISCG Task and Finish Group is gathering information from all ISCG member organisations about their informatics investment plans for 2014/15. This will be assessed against ISCG collective priorities and will also form the basis of organisational memoranda of understanding that the HSCIC will agree with each organisation. This approach is consistent with the ISCG's own terms of reference and with the HSCIC's memorandum of understanding with NHS England.
5. Notwithstanding the developing and emergent nature of the milieu, the following approach proposed builds on established business practice.

Key Design Features

6. In keeping with good practice, we are proposing that the corporate and Directorate business plans should contain a number of standard features. Once these key design features are approved we can then create a new planning template - or better still use an existing one. (We are aware that at least one Directorate has already started to develop their business plan for next year.)
7. In terms of the planning timeframe, the business plans should cover off next financial year in detail but also set out aspirations (strategic objectives) covering a 3 year period. Where possible the longer term aspirations should be quantified with year-end targets for financial year 2015/16 and 2016/17 or key milestones. Commissioned work and commissioning plans for the health and care system will need to drive or conversely, be informed by, HSCIC resource and technology planning amongst other things.

8. The business planning activities must be fully integrated with the creation of the detailed budgets - otherwise there is a risk of setting financial targets that could have adverse and/or unintended consequences for the non-financial targets and vice versa.
9. The proposed features are set out in the table on the next page:

Table 1: proposed key design features

Proposed key design features	Comments
Context	A short narrative explaining some of the external socio-economic, political, and technological drivers for change would provide useful context for the business plan.
Purpose	Although there is a purpose for HSCIC, Directors should also be setting their own “purpose” for their directorates. This could be something as simple as a short directorate “statement of purpose”.
Strategic Objectives	All Directorates produced objectives earlier this year and they will need to be updated and refreshed as part of the business planning process. However, there should be corporate strategic objectives as well to ensure a clear line of sight between the aspirations for the organisation and individual directorates.
Key performance indicators and targets (KPIs) and associated targets	These are already being developed for both EMT and the directorates and will be presented each month in new performance packs In terms of detailed planning for next financial year, we should develop monthly and quarterly targets for all financial and non-financial indicators. And detailed planning assumptions will also need to be recorded in the business plans to reduce the risk of huge variations in actual performance versus plan.
Key deliverables and dependencies	These would typically be major programmes of work or business critical activities that don't justify being measured as KPIs in their own right but are key enablers underpinning the delivery of the strategic objectives. Articulating critical dependencies would also be required. We also need to have clear delivery tolerances built into any programme project and work package commissions HSCIC undertake. (We currently don't set internal targets or accepted tolerance beyond which special approvals are needed to continue work).
Summary of key resource requirements	This would cover financial, staffing, and infrastructure (but not to a level of detail that duplicates what is captured in the budgets).
Risk	Articulation of key risks to the successful delivery of the strategic objectives and how they will be mitigated.

Business Planning Timeline

10. In the steady state we would expect the business planning round to commence around July/August each year when the Board/EMT would have an away-day event at which they would reflect on year to date performance, consider relevant external drivers for change and any strategy updates, and then shape/refresh the purpose and strategic objectives for the organisation. As part of this activity aspirational financial and non-financial KPI targets would be set and then used by the Directorates to undertake their own business planning activities.
11. For what remains of this financial year, we propose the following business planning activities (all of which we would expect to happen in the steady state as well). In the table below we have assigned indicative targets dates for completing the activities (having taken DH planning requirements into consideration):

Table 2: Proposed business planning activities and indicative timetable for this financial year

Planning activityⁱ	Indicative target date for completion <i>* Board meeting currently scheduled</i>
Communication from CEO setting out the planning milestones for this financial year (once Board has approved the new approach)	25th October
Briefing for all Directors - timetable, process, deliverables, etc.	25th - 31st October
EMT to set aspirational year-end financial and non-financial KPI targets for financial year 14/15	31st October
First draft of directorate business plans complete ⁱⁱ	29th November
First draft of organisation (EMT) business plan complete	6th December
Peer review of business plans complete ⁱⁱⁱ	13th December
CEO to approve Directorate business plans and first draft of corporate business plan	10th January
Board to approve first draft of corporate business plan	15th January *
Subject to Board approval, submit first draft of corporate business plan to DH	17th January
Produce final version of corporate business plan	31st January

Board to approve final draft of corporate business plan	5th February *
Subject to Board approval, submit final draft of corporate business plan to DH	14th February
Final adjustments to Directorate business plans to reflect any changes at corporate level	28th February

Coordination of the business planning activities

12. It is recommended that this would be undertaken by the Portfolio Division's Business Planning & Performance team in particular with strong involvement of the Clinical and Public Directorate to ensure alignment to emergent strategy.
13. Clearly it is vital that each directorate nominate an active lead and single point of contact for all the planning activities.
14. The Business Planning & Performance team would create the business planning template to accommodate DH's guidance for ALBs and our needs, brief the Directors and other relevant staff, provide support (e.g., facilitating business planning workshops), sense check and quality assure the Directorate plans, and create the consolidated corporate business plan.

Tracking the implementation of the business plan

15. The new Directorate performance packs being designed and rolled out across the business will contain the following information:
 - Performance against financial and non-financial KPI targets (monthly, quarterly, or 6-monthly) for financial year 14/15
 - Progress to deliver key deliverables and critical business activities set out in the business plan (but not measured as KPIs in their own right)
 - Management of critical risks

In other words, the new performance packs will become the vehicle for tracking the implementation of the business plans, which in turn of course help evidence progress of the HSCIC's strategy.

Immediate steps prior to the Board

16. The team will be socialising and seeking feedback on the approach during October and analysing data from the zero based review and external challenge sessions (notably ISCG Star Chambers on major programmes).
17. In parallel discussions will be progressed between submitting this paper and the Board meeting to improve understanding of the commissioning and prioritisation processes.

18. The remaining steps are clarified above.

Recommendation

19. The Board are asked to consider the paper and the broad approach proposed.

20. Also to note the challenge of making robust progress at the same time as key commissioning and prioritisation issues are still being developed across the system.

21. And finally to note and provide advice on the external engagement thought reasonable given the early stages of patient and public engagement forums and the challenges highlighted relating to commissioning and prioritisation.

ⁱ Activities to engage with stakeholders including patients and public are still to be impacted upon these activities this cycle due to complex and as yet unresolved commissioning and prioritisation arrangements for the system, but it is expected they will be more judiciously planned in future cycles.

ⁱⁱ It is recommended that the Performance Management team supports the business planning activity by running a workshop with each of the directorates to create an outline plan and KPI targets in particular (which can then be developed offline in more detail).

ⁱⁱⁱ In the steady state this might take the form of a day-long event where each Director would present his/her plan to their peers and elicit feedback. Given the time constraints for this financial year, it is recommended that this should be a minimum of each Directorate reviewing at least one other Directorate's business plan. However, in the case of HR and Finance & Corporate Services Directorates they should probably review all the other plans because of the service they provide to the business