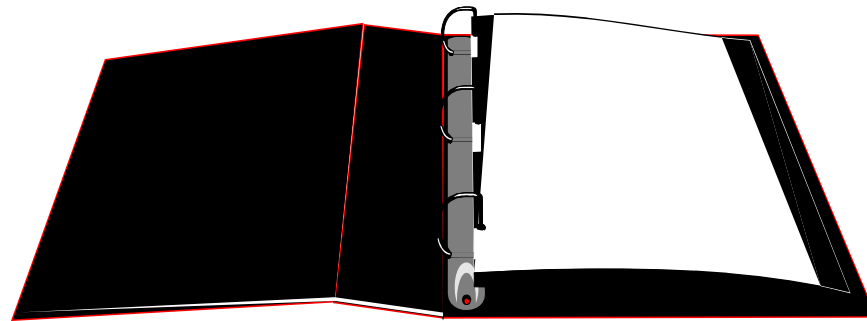# Business Plan Preparation

Guidance Notes

Introduction

The basic purpose of a business plan is to map out future courses of action and allow milestones to be determined which enable monitoring to take place. The plan is usually a concise summary of activities surrounding the operation of a business and what are its aspirations. The general context of past performance against targets is part of this. This provides an operating framework for individual, team and corporate working. The business planning process is not only comprehensive but also cyclical and continuous. It includes planning, doing, measuring and evaluating. Specific processes are dedicated to each component with the ultimate objective of making improvements each cycle.

Business plans are service delivery 'game plans', documenting objectives and how they will be attained.

Why do we prepare business plans? Amongst other things they

- ♦ *provide an opportunity for an assessment of the current state of affairs;*
- ♦ *provide an opportunity to review progress and set objectives/targets;*
- ♦ *help pinpoint those areas of activity which are not performing up to standard;*
- ♦ *allow costs to be identified and assessed for the future delivery of services;*
- ♦ *establish a framework for decision making built on a system of continuous improvement;*
- ♦ *encourage communication and clarification of roles and responsibilities;*
- ♦ *promote improved results for our customer's/clients; and*
- ♦ *improve individual, departmental and corporate accountability.*

Local authority business plans differ from those produced in the private sector for a number of reasons, including

- ♦ *the regard for the interests of the local community;*
- ♦ *the existence of activities that are statutory and not discretionary;*
- ♦ *the importance of quality and service delivery;*
- ♦ *the lack of a profit element; and*
- ♦ *the impact of the political process.*

The key aim reflected in a local authority's business plans will therefore not simply be to make profits.

PricewaterhouseCoopers have suggested that the main elements of a good business plan may be summarised as

- ♦ *background and objectives*
- ♦ *service area*
- ♦ *operating management*
- ♦ *environment*
- ♦ *activities/operations*
- ♦ *financial aspects*

Business plans should be accurate and succinct, avoiding jargon and formal phraseology. They should be 'owned' by those who have to implement them.

All the foregoing aspect of business plans are common across the authority. It therefore makes sense to place these in a corporate template or framework to allow easy comparison by officers and members. It also makes easier the task of drawing together common threads and handling such issues as risk management, project management, workforce planning, equalities and sustainability.

The Framework

The framework which has been agreed by a working group of members from Principal Scrutiny Committee and Corporate Management Team has eight sections. These cover

1. *a brief description of the service and its purpose(s);*
2. *links between services and the Council's strategic priorities*
3. *a summary of the primary services to be delivered during the coming financial year;*
4. *a) the priorities for the coming year and b) proposed improvements/developments in the longer term;*
5. *the resource implications of services and improvements;*
6. *the key performance indicators;*
7. *proposals for forthcoming public consultation;*
8. *key elements of risk management.*

The following pages set out the framework which should be used as the basis of departmental business plans.

The Content

Executive summary

An executive summary may be useful for the larger departments' Business Plans so that a rapid overview can be gained. It should be simply a summary of the **main** points of the plan, highlighting the main anticipated changes and targets for the year.

Section 1 *A brief description of the service and its purpose(s)*

This should be **no more** than half a side of A4 and really does mean a **brief** description. Assume that people reading it have some idea of what the department does.

Section 2 *Links between services and the Council's strategic priorities*

Set out here the **main** departmental services which are aimed at achieving or supporting efforts to achieve the Council's six key service priorities and five key management priorities.

Section 3 *Summary of core activities for the coming financial year*

The summary of core or primary services should be contained within half a side of A4 for most departments although Development Services, Community Services and Health and Housing may need up to one side of A4. Again, the emphasis is on summarising. These core activities will flow from the purposes set out in Section1.

Sections 4 *Key Service Priorities 2005/06 to 2010/11*

Section 4a highlights departments' top 10 priorities for the coming year. These are not 'cast in stone' - nevertheless, they should be the priorities which will be the last to change during the year as a result of contingencies.

The section relates to corporate themes stemming initially from the Corporate Strategy and ultimately the Community Strategy. It also concerns the cross-cutting themes of sustainability, equalities and community safety. Not all activities will have a Performance Indicator at present although Local PIs should be in preparation. Where a specific PI is not appropriate a clear objective or target should be used. In the last column ('resources') an attempt should be made to identify the level of resource needed by drawing from Section 6.

Section 4b sets out other tasks and proposed developments and improvements of the service to take place between 2005/06 and 2010/11.

The tasks and developments and improvements in Section 4b are those other tasks and areas of work which are not key priorities or which are longer term and which may have a more departmental character – these may be subject to change over time.

Changes to services leading to extending their range and/or quality should be set out here, on the basis of

  a) changes anticipated or planned for the coming year and
  b) changes anticipated or planned for the following four years.

Enter details of start dates as accurately as possible. However, while it may be possible to enter accurate start dates some way into the future (for example, if they relate to the known commencement of legislation), in many cases a month and year or simply a year date will be all that is available.

This is where service specific details are included but at a high level - detailed exposition should be made in underlying Service Plans.

Make use of Objectives/PIs in association with clear customer-focussed outcomes. Customers may be internal or external but there should be clear customer focus. Resources should be set out in two ways – FTEs or hours and capital or revenue resources. They should be as complete as possible. Include training where appropriate in this column.

NB *Different departments will have different amounts of information to be fed into Sections 4a and 4b depending on their size and work programmes.*

<u>**Section 5**</u> **Resource implications**

A) Financial. Relate the service activities listed in the centre column of the table back to the activities set out in Section 1 and Sections 4a and 4b. These should be the 'high level' activities - Service Plans will provide the more detailed elements.

B) Workforce. Ask four key questions :

- o Given the Service Priorities and Developments and Improvements set out in Sections 4a and 4b, what do you envisage to be the main changes to the service over the next 5 years?
- o What do you foresee as the main implications of these for your workforce (such as the need for additional staff, new skills or different ways of working)?
- o What changes do you envisage in the profile of your workforce over the next five years (retirement, turnover and career moves, for example)?
- o What do you consider will be the implications of these changes for your workforce in respect of recruitment and retention?

The text leading to the table might include a statement of staff numbers if appropriate.

<u>**Section 6**</u> **Key Performance Indicators**

Portfolio Members will be involved in discussing which Performance Indicators will be seen as key to corporate and department aims.

Consider including Local PIs wherever possible.

In order to place key PIs in context, include previous years' performance and current and forthcoming targets in columns 5 -9 of the table. Any relevant longer term targets can be shown in the final column.

Section 7 Proposals for public consultation

Include here information on **all** proposed consultations, of whatever type or extent. Any concerns regarding completion dates (which should allow appropriate time for questionnaire preparation and printing), details of exact purpose or anything else relating to this table should be referred to the Research Officer.

Section 8 Risk management

The basis for the risk table is the department's section of the Council's Risk register. The appropriate elements can be extracted and placed in the table. A summary of the actions proposed to deal with the identified risk should be entered. Critical success factors are the limited number of areas in which results, if they are satisfactory, will ensure that the risk is successfully mitigated or even removed. They are the few crucial areas where things must go right. If results in these areas are not adequate then the risk will not be dealt with effectively or successfully. They are areas of activity that should receive constant and careful attention from management.

Further Information

Reference to footnotes picking up key aspects of references listed at the back of the Business Plan will help to keep Business Plans focussed. Footnotes might refer to items such as the Budget Book, the Council's strategic plan and policy documents like the Equality and Diversity Policy and the Housing Strategy.

Endorsement

Work will have commenced on Business Plans during the previous autumn when budget preparation commences. Draft Plans should be finalised in March once the budget has been set. They will be considered by Corporate Management Team and the appropriate Performance Improvement Committee in the March cycle of meetings. Finalised Business Plans will then be presented to Cabinet before the end of March for approval.

Business plans will probably be underpinned by Service Plans, especially in the larger departments. These will be more detailed documents to guide the work of individual sections and teams. Service Plans will be a matter for discussion between Portfolio Holders and Directors and it is not anticipated that they will be considered by CMT, Performance Improvement Committees or full Cabinet.

2005/06 Business Plan

DEPARTMENT NAME

1. <u>**Brief Description of the Service and its Purpose**</u>

    Text

2. <u>**Links between Council strategic priorities and services**</u>

Strategic priority	*Departmental responsibility*
Homes	
Community Safety	
Green agenda	
Social inclusion	
Economic prosperity	
Cultural and leisure opportunity	

3. **Summary of Core Activities for 2005/06**

   Text if appropriate

4. **Service Priorities 2005/06 to 2010/11**

   A) **Key Service Priorities 2005/06**

Corporate Priority/Theme/ Aim/Policy	Start date	Service Priority	PI/Target/ Objective	Resources A) Financial B) Workforce (including training)
Homes				
Community Safety				
Green agenda				
Social inclusion				
Economic prosperity				
Cultural and leisure opportunity				
Communications				

strategy			
Procurement strategy			
Risk management strategy			
Sustainability strategy			
Corporate access programme			
Corporate policy for protection of children and young people			
Corporate protocol for project management			
Policies for enhancement of e-access to services			
Policies for enhancement of e-access to services			

* **Corporate/crosscutting issues above the line, departmental issues below the line**

B)   Other Tasks and Proposed Developments and Improvements of the Service 2005/06 and to 2010

Corporate Objective/Theme/Aim/Policy	Start date	Service Task/ Activity / Priority /Development/ Improvement	Anticipated Outcome	PI/Target/ Objective	Resources C) Financial D) Workforce (including training)
Homes					
Community Safety					
Green agenda					
Social inclusion					
Economic prosperity					
Cultural and leisure opportunity					
Communications strategy					
Procurement strategy					
Risk management strategy					
Sustainability strategy					
Corporate access programme					
Corporate policy for protection of					

children and young people					
Corporate protocol for project management					
Policies for enhancement of e-access to services					

* **Corporate/crosscutting issues above the line, departmental issues below the line**

5. **Resource Implications**

 A) Financial

Text if appropriate

2004/05 Revised				2005/06 Estimate				
Exp. £000's	Income £000's	Net £000's	Service Activity	Exp. £000's	Income £000's	Net £000's	FTEs	Notes
			Total					

B) Workforce

Text if appropriate

KEY EXTERNAL DRIVERS	KEY INTERNAL DRIVERS
WORKFORCE IMPLICATIONS	

6. **Key Performance Indicators**

Text if appropriate

(Include national and local PIs.)

Key Performance Indicator	Purpose/ Description	Reporting/ Responsible Officer	Achieved B Plan Year -3	Achieved B Plan Year -2	Estimate/ Projection B Plan Year -1	Target B Plan Year	Target B Plan Year +1	Other Target

7. **Proposals for Public Consultation**

Planned Research or Consultation	Completion date	Purpose	Use of Feedback	Outcome

8. **Key elements of risk management**

Key Risk	Risk Register Reference	Rating	Responsible Officer	Action proposed	Critical success factor