

Committee: Policy & Resources Committee	Dated: 11/07/2024
Subject: Transitioning from 1-Year to 5-Year Business Planning.	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	All
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: Dionne Corradine, Chief Strategy Officer	For Information
Report author: Barbara Hook, Assistant Director Corporate Planning, Town Clerks Department.	

Summary

Departments and Institutions¹ produce one-year High Level Business Plans aligned with corporate and departmental objectives and outcomes (see appendix 1). Business Plans inform service Committees and enable Members to hold officers accountable for the delivery of outcomes with the resources allocated.

This report summarises the current single-year High Level Business Plan process and signals the intention to transition towards all Departments and Institutions producing five-year business plans that are reviewed annually. The Department of Community and Children’s Services and the Environment Department are to be pathfinders for the process in FY 2025-26, helping to test an approach which may be implemented across the City of London Corporation going forward.

Recommendation

Members are asked to:

- Note the report

Main Report

Background

1. Business Planning is a key part of successful delivery across the organisation. In their High Level Business Plans departments and Institutions set out the workstreams and associated activities that will be delivered to achieve their identified departmental objectives and goals, aligned to the City of London Corporation’s Corporate Plan outcomes. By ensuring these are appropriately planned, resourced, implemented and measured, departments and institutions

¹ The following Institutions use an alternate format for their business plans: Freeman’s School 5-year Strategic Plan, City of London School and City of London School of Girls 5-year Vision and Strategic Aims, Guildhall School of Music and Drama 5-year Strategic Plan, and City of London Police Annual Report.

can manage the planned business activity and understand whether the actions are having the intended impact in year.

2. Business Planning principles strive to deliver consistent, aligned plans that enable performance to be monitored. Members have requested, across the City of London Corporation, an improvement in performance indicators, data and reporting. Our new Corporate Plan 2024-2029 provides an impetus for capturing and reporting outcome performance data, and for transitioning to a Five-Year Business Plan process across the City Corporation.
3. Changes have been implemented in the past two financial years under the direction of the Chief Strategy Officer to strengthen the Business Planning process. Some of these changes are listed in paragraph 7. Improvements are enabling better cross-department collaboration helping to combat siloed-working, consideration of cross cutting themes - such as EEDI - identified in our Corporate Plan, and increased understanding and mitigation of risk.
4. The Department of Community and Children's Services and the Environment Department are moving to producing Five Year Business Plans commencing FY 2025/26. These departments will be pathfinders for the Five-Year Business Plan process; in producing their five year plans they will be helping to test an approach which may be adopted corporately.

Current Position – Annual Departmental High Level Business Plans

5. The Chief Strategy Officer is the Head of Profession for Business Planning, Strategy and Risk and the Corporate Strategy and Performance Team (CSPT), provide corporate management and oversight of the Business Planning process. Each year updated Business Planning guidance is issued to steer the production of departmental and institutional High Level Business Plans, which are presented to service Committees between January-March, usually alongside the departmental budget estimates. A summary is provided at Appendix 1.
6. Institutions have increasingly aligned with and alongside the corporate business planning process. By FY2024/25 this included Barbican Arts Centre, City Bridge Foundation, Guildhall School of Music and Drama and Freeman's School, though the schools follow academic year timings. The City of London Police, City of London Boys and City of London School for Girls also produce business plans but these are not currently included in the Strategic Planning Group and Executive Leadership Group reviews.²

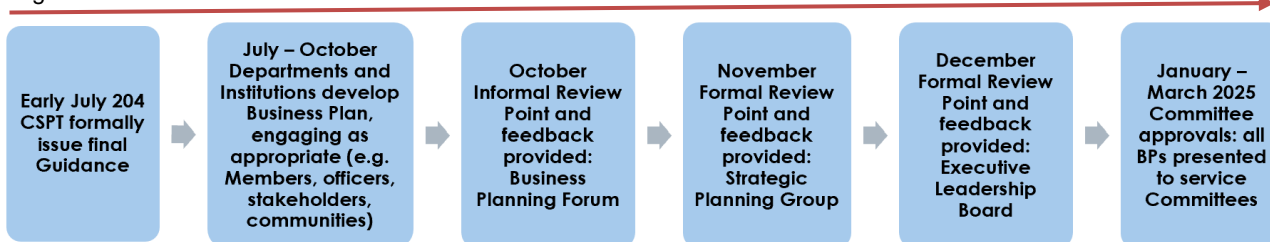
Improved methodology and officer governance

7. For FY2024/25 improvements included:
 - a. Increased consistency and alignment across departments following all parts of the corporate business planning guidance and template
 - b. Resource allocation estimated budget spend and people resource (as a percentage of the whole) articulated for priority workstreams
 - c. Performance metrics aligned to a priority workstreams and relevant data to drive decision-making.
 - d. Recording activities and milestones on a timeline, to monitor delivery progress through quarterly reporting to the Executive Leadership Board during FY2024/25.

² City of London Police Business Plan is presented for approval in May, CLS and CLSG Business Plans are presented for approval in September

- e. Targeted support from Corporate Strategy and Performance Team to identify synergies and dependencies, opportunities for collaborative working and prioritisation of resources to the Corporate Plan outcomes
 - f. Scrutiny and appropriate challenge to ensure the delivery plans throughout the organisation are supporting the cross cutting themes and ways of working outlined in our Corporate Plan and People Strategy, such as Equity, Equality, Diversity and Inclusion, and our statutory responsibilities. These are fundamental to the Corporate Plan's six strategic outcomes
 - g. Establishing a Business Planning Forum for peer-to-peer review and constructive challenge
 - h. Strengthened officer governance with a new Strategic Planning Group, with Heads of Profession providing cross-cutting scrutiny and horizon scanning of risk
 - i. Business Plans submitted to the Executive Leadership Board for Chief Officer oversight, providing assurance prior to submission to service Committees
 - j. Establishing a common timeframe for securing Committee approvals
8. Many organisations create three to five year business plans. Achieving ambitious outcomes can take longer than a single year and rely on multi-component, cross-cutting projects and programmes that span multiple years. City of London Corporation resources are frequently committed over a number of years in high value, high impact and high-profile programmes and public realm improvements, so considering departmental business plan priorities over the same period as the City of London Corporation's Corporate Plan and medium term financial plan will be beneficial.
9. We will need to do this iteratively. For FY 2025/26 most departments will produce a single year High Level Business Plan and CSPT will issue single year Business Planning guidance in July, alongside the annual guidance on producing departmental Budget Estimates (the FY2025/26 Medium Term Finance Plan timetable) issued by Chamberlain's Department. The broad timeline for producing FY2025/26 High Level Business Plans is shown below:

High level timeline:



10. The 2025/26 Medium Term Financial Plan Timetable is at Appendix 2.
11. Some departments and institutions³ already plan over longer than a one year period and so may be in a position to move forward to a new process for producing Five Year Business Plans more quickly than others. Therefore, in the next business planning cycle we expect somewhat of a 'mixed economy' in the type and length of business plans produced in the organisation, and the process will need careful management during the transition. In this transformative period, we will be encouraging different thinking to uplift organisational

³ Five Year plans are currently produced by Freeman's School, City of London School and City of London School for Girls, Guildhall School of Music and Drama.

capability, for example in embedding use of OKRs and other performance metrics, and generating improvements in data and reporting.

Transitioning from Single-Year to Five-Year Departmental Business Plans

12. Our new Corporate Plan 2024-2029, associated strategies and the organisational Transformation Programme provide the context for the development of five-year Business Plans. Business Plans are part of the performance measurement suite, and quarterly reviews conducted by the Executive Leadership Board of all Departmental and Institutional Business Plans have been introduced from FY2024/25.
13. Departments and institutions will transition from a single year departmental plan to a five-year plan reviewed annually and at other set times as applicable. However, in trialling the approach and balancing flexibility, consistency and comparability, we will consider variations - for example transitioning to a three year business plan with options to roll forward for two more years. We will also take into account any need to align with the requirements of external bodies and inspectorates (e.g. central government, Ofsted, etc). To achieve the step change we need in moving our focus from outputs to outcomes, five year plans will set out a vision and strategic intent together with delivery plans, resource considerations and performance measures. Creating compelling narratives and plans will take time and departments may move at different speeds to achieve this. ERP will be an important enabler for agile long-term strategic planning and resource allocation.
14. DCCS and Environment Department will be pathfinders to develop five-year Business Plans commencing in FY2025/26 aligned with Corporate Plan 2024-29 cognizant of associated and cross cutting strategies and the Corporate Transformation. This will inform implementation of the approach organisation wide.
15. The five-year Departmental Plan is likely to include:
 - A picture of future demand for services and the likely financial position
 - Aspirations for the Departmental response to this e.g. actions and spend including funding sources
 - Contributions to the Corporate Plan outcomes
 - Critical workstreams, timelines, interdependencies and risks
 - A range of performance metrics including OKRs (see Appendix 4)
 - Component parts of the current High Level Business Plan template
16. The business planning process and template will evolve and be refined, although it will retain features to enable consistency, and peer review including the Strategic Planning Group and Executive Leadership Board. Departments and Institutions will continue to be agile and will have the ability to pivot their plans to respond to emerging needs by adapting their plans accordingly during the business plan period.
17. Using DCCS and Environment Department feedback, CSPT will work with departments and institutions to prepare and ready them for transition, with the aim of most being ready from September 2025 to produce Five Year Business Plans⁴ that commence FY2026/27. A high level timeline is provided at Appendix 2.

⁴ Or three-plus-two-year Business Plans (or other duration), if during the pilot test period, an alternate approach is considered beneficial.

Corporate & Strategic Implications

Strategic implications – departmental and institutional Business Plans are aligned to Corporate Plan 2024-29 outcomes.

Financial implications – none

Resource implications – none

Legal implications – none

Risk implications – consideration of risk is integral in Business Planning.

Equalities implications – Equalities, Diversity and Inclusion is integral in Business Planning.

Climate implications - climate implications and sustainability is integral in Business Planning.

Security implications – none

Conclusion

The transition to producing five-year business plans that align with the Corporate Plan represents a significant evolution in our strategic planning and organisational management approach, and is expected to bring multiple benefits including better understanding of future trends, challenges, and opportunities and enable proactive decision-making. The steps outlined in this report provide a framework for successfully navigating the transition and realizing these benefits.

Appendices

- Appendix 1 – List of Departmental and Institutional Business Plans
- Appendix 2 – High Level Timeline: Transition to Five Year Business Plans
- Appendix 3 – 2025/26 Medium Term Financial Plan Timetable
- Appendix 4 – How Objective and Key Results differ to Key Performance Indicators

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