

AUDIT PANEL

Friday, 30 June 2017

Met Business Plan and Framework: Progress on Development

Report by: Head of Business Planning

Report Summary

Overall Summary of the Purpose of the Report

This is to update the panel on progress with regards to the new Met Business Plan, and set out the proposed planning process for the coming year.

Key Considerations for the Panel

Because of the current level of maturity of business planning in the organisation and the transition to new Mayoral priorities, Police and Crime Plan and leadership, this is not yet a multi-year plan, but we will work towards this in the coming year.

Interdependencies/Cross Cutting Issues

The planning process has linkages with a number of items being looked at by Audit Panel, and in particular the Capital Expenditure Framework (including our ability to spend as planned and deliver the savings forecast), and the "Budget Position - Financial Savings Plan and Delivery" on the September agenda.

[NOTE: Financial figures were correct at the time of the meeting but that, as is normal in the process of budgeting and confirming assumptions, some have varied slightly since June.]

Recommendations

The Audit Panel is recommended to:

- a. Note the 2017-18 Business Plan and note that progress in implementation will be reported on a quarterly basis to Management Board and the Oversight Board

1. Supporting Information

- 1.1. The Met Business Plan 2017-18 seeks to reinvigorate business planning in the Met. It also serves to articulate - for MOPAC, Met officers and staff, and the public - how we intend to deliver our contribution to the Police and Crime Plan. A short summary version has also been produced to help disseminate the priorities further to officers and staff within the organisation.
- 1.2. The Plan has been led by Strategy and Governance with input from all Business Groups. Officers and staff across areas have been heavily involved in drafting and MOPAC closely consulted.
- 1.3. Turning to next year, the Met faces a significant medium-term financial challenge (we have to find £134m savings in 2018-19). In addition to the budget gaps in our existing financial strategy we also face risks to our current level of funding from the Funding Formula Review and from the upcoming efficiency review across Government. There is also the possibility of a forthcoming Spending Review.
- 1.4. We need to strengthen the planning process itself, demonstrating how the Police and Crime Plan is delivered through a business plan that incorporates organisational priorities, the One Met Model (OMM) change initiatives required to achieve these priorities, and a balanced budget.
- 1.5. A joint Budget and Business Planning Working Group has been set up (from existing resources) to co-ordinate the forthcoming budget and business planning process. This first meeting took place 25 May, with the next on the 21 June.

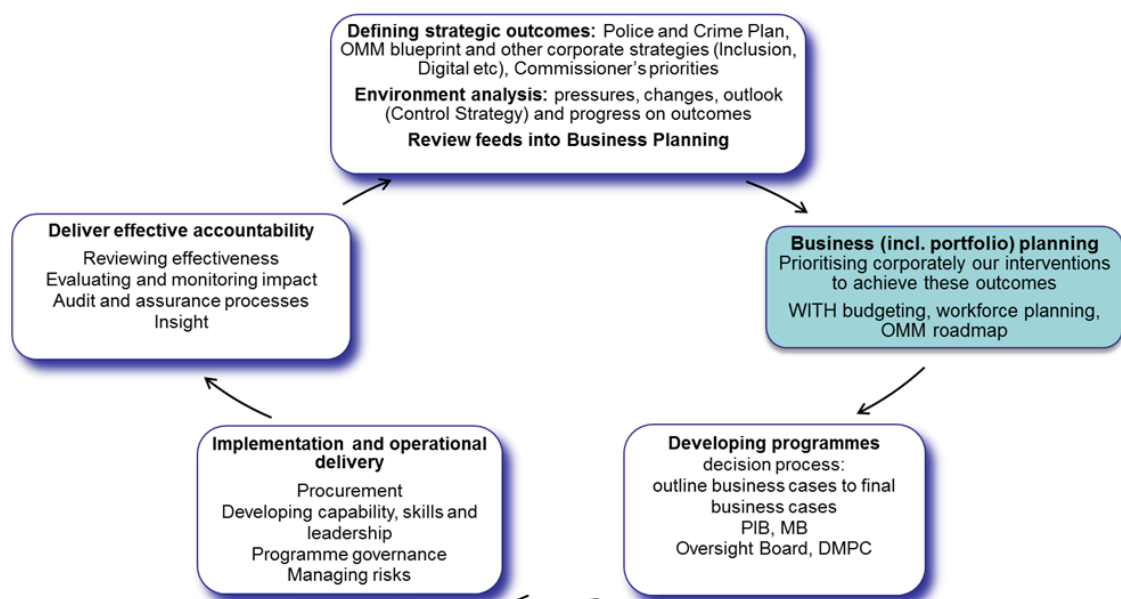
Met Business Plan 2017-18

- 1.6. The Met needs to show how we are delivering against the Police and Crime Plan, what specific actions we are taking in priority areas and to demonstrate how our expenditure and investments (officer and financial resources and the OMM strategic design) align with crime priorities and the service to Londoners. Crime priorities (such as violent crime – including knife crime and the need to make progress in areas such as child protection) should be reflected in our delivery, in the capacity we provide to the organisation and therefore visibility in the business plan, and in terms of the budget allocations.
- 1.7. The Met has also a large number of internal corporate strategies and plans (MPS People Strategy, Control strategy, Community Engagement Strategy, Diversity and Inclusion Strategy, Information Management Strategy, Counter Terrorism and Protective Security strategy and business plan, Operational Support Business Plan etc.). MOPAC is also developing or refreshing a number of strategies (Knife crime, Public Access, Violence against Women and girls etc.). Corporate coordination needs to be strengthened, and any commitment must fit within our financial and operational capacity.

- 1.8. The Met Business Plan therefore brings all these various strands into one place, articulates how they integrate, and what will be delivered in the next 12 months i.e. the short to medium term delivery of our strategic ambitions. It:
- supports the Commissioner in setting out how the Met will deliver the priorities
 - promotes good governance (articulate priorities, investments and the change portfolio with expected outcomes) and effective prioritisation (through the planning process itself)
 - calibrates expectations by explaining what can, and will be done, when, within our resources
 - brings visibility of our corporate priorities internally with officers and staff
 - drives up public confidence with greater clarity and transparency about our agenda and activities
 - provides a basis to measure and report progress to Management Board and Oversight Board, and informs decision-making during the year
- 1.9. Copies of the full Business Plan and of the summary version are attached in appendix.

The Met planning process – 2018/19 – 2020/21

- 1.10. The 2017-18 Plan constitutes an initial response in bringing together budget plans, transformation activities and operational priorities –and outlining high-level milestones and objectives. The next step is to strengthen the planning process itself, i.e. how budget choices, delivery of the PCP priorities, workforce resourcing, transformation agenda mutually support each other, and how investments are prioritised and interdependencies considered, as well as the narrative of these choices in terms of delivering the Mayoral and national priorities. For example, are we putting more resources into knife crime and if so, how is this being done and against what plan?
- 1.11. The graph below outlines the high level planning process:



- 1.12. We are therefore moving to a strategy-led budget process with the objective of designing an organisation which can allocate and prioritise resources effectively based on London's needs and priorities. In previous years, to address the financial challenge Finance would set savings' targets for each business group and ask for proposals to be developed over the summer. This year however the new strategic direction, the scale of the requirement, the opportunity created by the change portfolio and the level of savings already identified in recent years suggest this simple approach needs amending.
- 1.13. Through the Business Plan and the Strategic Design we should identify the policing requirements for London across the medium term. Set against the financial framework, this is likely to lead to some tension between requirements and affordability, resulting in a prioritisation process. A joint Governance and Finance paper to Management Board recommended three complementary work streams to addressing the medium term financial position. These are set below:

MetHQ work stream - lead review of all enabling functions.

- 1.14. Digital Policing will be asked to produce a 4 year costed IT strategy assuming a ceiling of £204m and with options to reduce costs together with the business implications; Estates will review all savings and confirm timing and amounts; Work will also identify other enabling functions that provide a service that is scalable (to officer numbers), and, for all other areas a 3% cashable per annum productivity savings target.

Business Groups work stream

- 1.15. Finance will scrutinise existing budgets to test Value for Money, challenge underspends and, with Strategy and Governance support, review in light of Police and Crime Plan and Commissioner's priorities to re-confirm funding assumptions and savings targets.
- 1.16. All Business Groups will need to review 2016-17 financial outturn and identify any implications (pressures and/or savings) for the future; They will be asked to identify new needs arising from the new priorities as well as expenditure areas (for savings) which have been de-prioritised; The process will also aim to identify any performance issues that may require increases (or re-profiling or decreases) to budgets, as well as 3% productivity savings proposals on all budgets excluding police pay.

OMM work stream

- 1.17. OMM to set out three costed scenarios (base scenario of £225m to find by 2020/21; +3%; and +6%), work with Strategy and Governance to identify implications and benefits in terms of priorities and Police and Crime Plan delivery; confirm assumptions for police staff, overtime and running costs

within costed scenarios; review all capital requirements within their programmes against the OMM Blueprint

- 1.18. An outline timetable of the process is attached at Appendix 1, with improved linkages between finance, strategy, HR, and Transformation.

2. Equality and Diversity Impact

Equalities impact is considered throughout the Business Plan internally and externally, from our focused priorities on safeguarding and vulnerability to our corporate objective to be more inclusive workforce. Monitoring will focus on some key measures which will track changes in areas such as “Reducing inequalities in satisfaction” and “public perception” (in particular the gaps observed in the satisfaction and confidence of BAME, LGBT and older Londoners groups). We will also monitor “officers and staff treated with fairness and respect by colleagues” (from our staff survey) and seek an “increase in staff engagement score in all Operational Command Units”.

3. Financial Implications

Financial implications are integral to the business planning and budgeting process.

4. Legal Implications

There are no legal implications arising from this paper

5. Risk Implications

In previous years we have lacked a holistic planning process linking the key components of our strategic planning – the Police and Crime Plan (P&CP), Met Business Plan, OMM Portfolio Plan and the budget. We have identified this as an area of significant corporate risk as without a cohesive budgeting and planning framework there is limited ability to assure Management Board and MOPAC that strategic objectives will be delivered. Publishing a corporate business plan and setting

6. Contact Details

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7. Appendices and Background Papers

Appendix 1 – Outline forthcoming budgeting and planning process (Overleaf)

Appendix 2 – [Met Business Plan 2017-18](#)

Appendix 3 – [Summary Business Plan document](#)

Planning & budgeting process 2017/18

