

Annual Planning Guidance

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Introduction

This guidance note provides an overview of the annual planning process in SDS. It aims to provide staff with a clear understanding of our planning principles and the hierarchy of plans linking our Corporate Plan to our day to day work. It provides a definition of annual operational planning and details the processes to develop directorate workplans, the SDS Internal Workplan and the Annual Operating Plan. A broad outline of key stages involved in the planning cycle is also set out.

The aims of this guidance note are to help staff to plan effectively and to ensure a consistent approach to annual planning and reporting is adopted throughout the organisation.

SDS Planning Principles and Planning Hierarchy

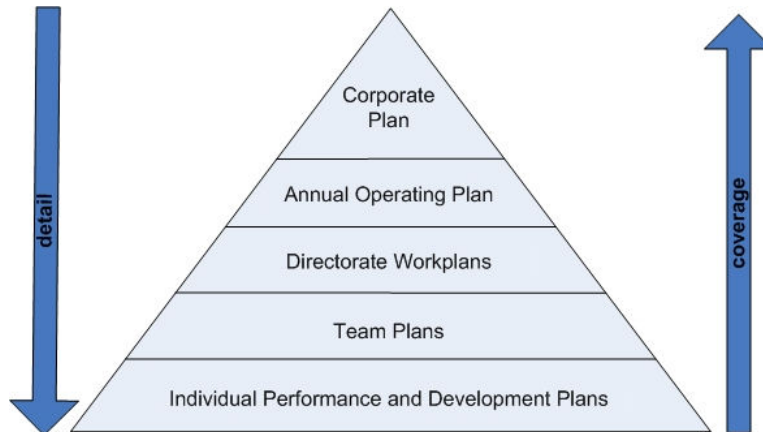
Principles

1. There is a 'golden thread' between the three year Corporate Plan, the Annual Operating Plan, directorate workplans and individual performance and development plans (see Fig 1).
2. Developing the Annual Operating Plan and directorate workplans is an annual activity that involves taking into account internal and external changes that impact on service delivery.
3. Planning is an iterative process and activities do not typically begin and end with each financial year. The plans in development are therefore likely to take the existing plans as a starting point.
4. Directorate workplans should list actions and related measures of progress / success under each corporate goal.
5. The annual planning process is closely aligned to the budget process.
6. Team plans and individual performance and development plans will cascade from directorate workplans giving a clear thread from personal objectives through to SDS wide plans.

Planning Hierarchy

A range of plans exist in SDS and the following diagram illustrates the relationship between plans at different levels in the planning hierarchy.

Fig 1: SDS Planning Hierarchy



Through this hierarchy, the aim is to ensure that the whole organisation is geared towards achieving our overall goals and outcomes. The process is in part top-down (activity guided by the Corporate Plan and other direction by the Scottish Government, Board and SMT) and in part bottom-up (staff contributing based on what they know to work and is feasible).

The **Corporate Plan** sets out our strategy for a three-year period and determines what we are seeking to achieve. It sets out a clear structure for our activity by identifying strategic goals and how we will work with our partners to achieve them.

The **Annual Operating Plan** sets out a summary of our key activities for the year. There is an external facing plan and internal workplan and these are both structured around our strategic goals.

Directorate workplans set out directorate activities in more detail and these are again structured around the delivery of our strategic goals. Directorate workplans should incorporate both project work as well as business continuity activity. The workplans must include details of the activity and related measures of success.

Team plans set out in detail the activities undertaken by each team in the directorate and are linked to the individual performance and development plans. Operations are expected to produce plans relating to the different functional and regional teams (allowing local initiatives, projects and targets to be reflected). Team plans for the rest of the organisation should be developed at the discretion of managers.

Individual performance and development plans set out individual objectives agreed between employees and their line manager as part of the Aspire process. These show the contributions being made to wider activities at team, directorate and SDS level.

Annual Planning in SDS

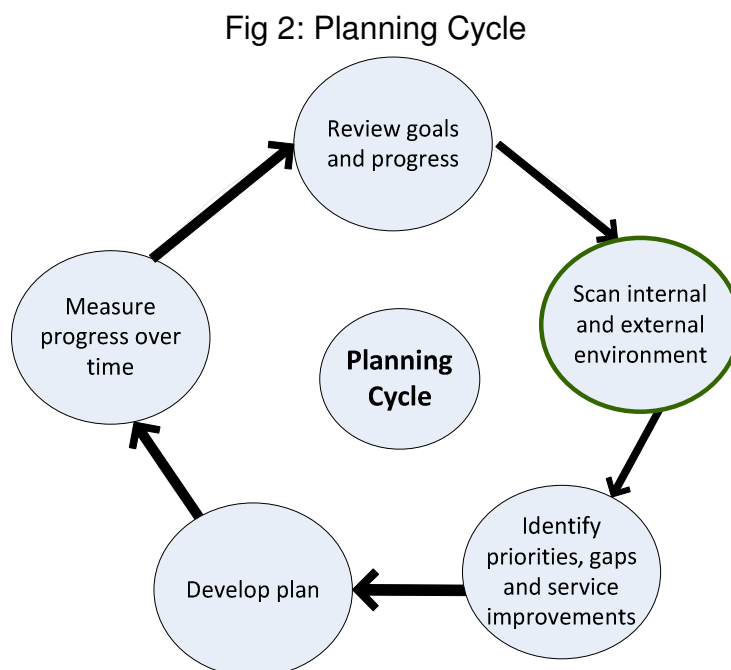
Annual operational planning is the process of setting short-term objectives, on a one year time-frame and determining in advance how they will be achieved.

Operational plans contain:

- clear objectives (strategic goals)
- activities to be delivered
- measures of progress and success (milestones, outputs and outcomes)
- resource allocation (staffing and budgets)
- target completion dates

Progress and performance must be monitored throughout the year and reported regularly.

An operational planning cycle is illustrated below:



Questions to consider when developing an operational plan:

- What has changed in the last year, both internally and externally?
- What issues do we need to address in the year ahead?
- Is government policy changing and what are the 'asks'?
- Which activities have been completed and which will continue?
- What have we done well and what could we do better?
- What improvement activity is needed?
- What new activities will be delivered and what will our targets be?

The planning process will be kicked off by a discussion of key issues facing the organisation in the year ahead at SMT and Board level. The Strategy & Policy team will plan and organise this working session.

Directorate Workplans

Directorate workplans link the Annual Operating Plan to individual performance and development plans. They provide the basis for managing activity (including performance reporting) at directorate level as well as a key point of reference for individual objective-setting, alongside team plans where applicable.

The workplans form a critical building block for the Annual Operating Plan and all actions are therefore grouped under the four SDS goals and linked to at least one SDS outcome. The key steps for development of directorate workplans are detailed below:

1. Each directorate should nominate a planning lead to liaise with the Strategy & Policy team throughout the development process. The planning lead should also be responsible for liaison with the Finance team to ensure that there is seamless integration of the planning and budgeting processes.
2. Once approved by SMT, the Strategy & Policy team will send a workplan template and guidance to each directorate.
3. Directorates then develop their workplans, based on the template, with support from the Strategy & Policy, Performance Management, and Finance teams. Directorates should seek to involve staff at every level to encourage ownership and commitment.
4. When devising actions and measures of success, directorates should challenge themselves with the following questions:
 - Are the actions SMART¹?
 - Is it clear how each action will be measured (what, by whom and by when)?
 - Do the measures allow an assessment of whether the directorate is getting closer to or further away from achieving their objectives?
5. The Policy & Strategy and Performance Management teams will facilitate workshops and meetings with management teams for each directorate. The workshops will be an opportunity to discuss feedback on the workplans and to identify directorate priorities.
6. Directorates will be asked to identify their top priority activities for inclusion in the SDS Internal Workplan. These might be aggregations of more detailed activities listed at the directorate or team level.
7. Directorate workplans must include budget information, collaborating as needed with Finance and Performance Management teams for budget and performance related information to complete the work plans.
8. In addition to a directorate workplan, Operations are expected to produce plans relating to the different functional and regional teams (allowing local initiatives, projects and targets to be reflected). Team plans for the rest of the organisation should be developed at the discretion of managers.

¹ Specific, Measurable, Achievable, Relevant and Time bound

Directorate Workplan Template

The planning template is developed by the Strategy & Policy team and distributed to all directorates at the beginning of the annual planning cycle. Each workplan will include a front page that details the directorate budget and staffing numbers (Fig 3a). The rest of the workplan will be an action plan following the format in Fig 3b. High-level actions are presented in bold and are broken down into sub-actions.

The Finance team will provide support for directorates completing their budget and staffing details in the workplan. The Strategy & Policy and Performance Management teams will provide support when identifying actions and measures for inclusion in the workplan.

Fig 3a: Planning Template – Front Page

Teams	SDS Atos Core Contract (£000)	Partner IT Costs (£000)	Infrastructure, Management, and Administration (£000)	SDS IT Expenditure (£000)	Projects (£000)	Staff Costs (£000)	Total Budget (£000)
Total							

Staff: FTEs	
Staff: Numbers	

Fig 3b: Planning Template – Action Plan

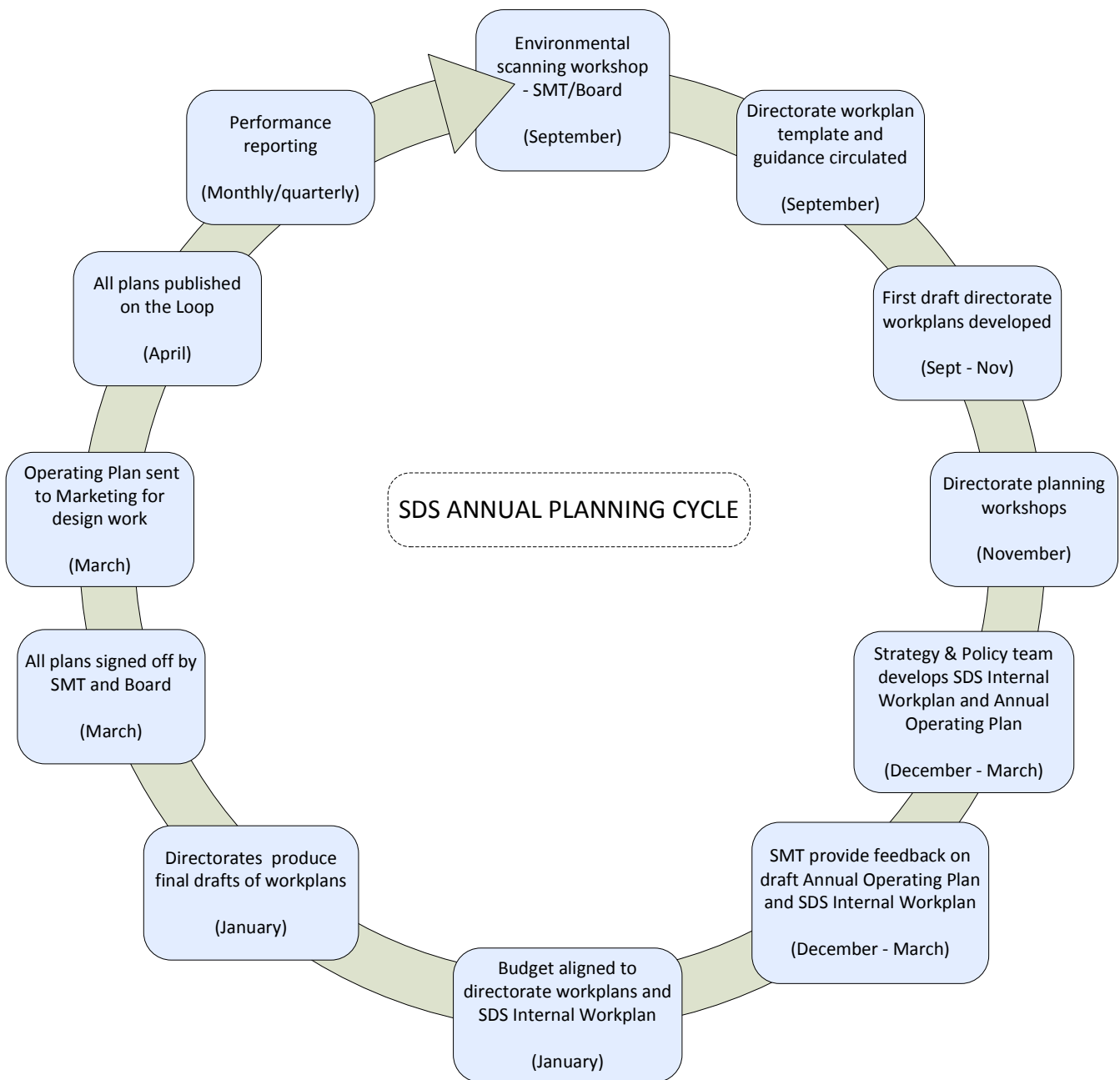
Item No.	Action	Measures (Milestones / Outputs / Outcomes)	Target Date	Lead Team	Contact (Responsible)	Budget	Budget Code	SDS Outcome
Goal 1 - Enable people to fulfil their potential								
		▪						
Goal 2 - Make skills work for employers								
		▪						
Goal 3 - Be a catalyst for change								
		▪						
Goal 4 - Organisational Excellence								
		▪						

Annual Planning Cycle

The planning process described above involves a number of key stages to successfully deliver both the Annual Operating Plan and SDS Internal Workplan supported by the directorate workplans.

The diagram below illustrates the key planning stages and timelines for the annual planning cycle and the final outputs of this will be an Annual Operating Plan, SDS Internal Workplan and the directorate workplans.

Fig 4: Annual Planning Cycle and Timeline



SDS Internal Workplan & Annual Operating Plan

The SDS Internal Workplan sets out a high level summary of all direct service delivery and support activity in SDS, showing key actions, performance measures and budgets. The directorate workplans are used to develop the SDS Internal Workplan by identifying the top level priorities across all directorates for the year ahead. The plan is set out in a similar format to the directorate workplans, structured around our four goals.

The Annual Operating Plan is the external facing document that provides narrative around the activity detailed in the SDS Internal Workplan. The plan is aimed at external stakeholders and therefore focuses on activity around our first three goals. However, it also summarises key support activity alongside a summary of our resources.

The Strategy & Policy team is responsible for writing the Annual Operating Plan and collating the SDS Internal Workplan, as detailed in the key stages below.

1. The Strategy & Policy team will collate directorate workplans and provide feedback.
2. The top priority actions identified by directorates in their workplans will be used to build the SDS Internal Workplan.
3. The SDS Internal Workplan will be reviewed by both the SMT and Board.
4. The SDS Internal Workplan will be reviewed by directors, planning leads and Heads of Service.
5. The Strategy & Policy team will review the proposed priorities against the Letter of Guidance issued by the Scottish Government.
6. The SDS Internal Workplan becomes a key input for the Annual Operating Plan.
7. The Strategy & Policy team will develop the narrative for the Annual Operating Plan:
 - The context section will draw on discussions of what has changed, what challenges are faced by SDS in the year ahead
 - The goal by goal narrative on activity will draw on the SDS Internal Workplan
 - The resources section will include high level budget information, information on our staff and IT resources
8. The Strategy & Policy team will present the final draft versions of the Annual Operating Plan and SDS Internal Workplan to the SMT and SDS Board for feedback and comments.
9. The Strategy & Policy team will involve the sponsorship team from Scottish Government and will liaise with the Marketing and Communications teams to plan the dissemination and communication strategy.

Progress Reporting

A key aspect of any planning process is to regularly report progress against the commitments and targets set out in the plans. Progress must be reviewed throughout the year and reported and communicated regularly to the Board, SMT and staff as well as to customers, stakeholders and partners. Assessments of our performance in the course of the year will feed into the considerations of priorities for the following planning year.

The key documents for performance management across the organisation are the directorate scorecards. These were introduced to manage the progress and performance of the actions and measures agreed in the directorate workplans. The scorecard will pull together both quantitative and qualitative information. It will draw on information from a variety of sources and pull together much of the reporting that is currently being undertaken within SDS. The scorecards do not sit in isolation but contribute to the wider SDS Performance Management Framework.

The objectives of the scorecard approach are to:

- Standardise and simplify performance reporting across SDS
- Improve our knowledge of delivery towards goals
- Inform both internal and external stakeholders
- Establish ownership of performance data sources
- Improve board reports and enhance directorate reporting
- Support an internal service delivery culture
- Facilitate detailed cost to serve analysis

The SDS Board Performance Report demonstrates progress and performance against each of the SDS goals. The directorate scorecards are used to populate the Board Performance Report, showing the varied contributions directorates make to the goals of the organisation. The Board Performance Report is compiled by the Performance Management team. The Annual Review is our external facing performance report that draws on the performance data available at the end of the financial year and is published as soon as possible after that time.

Fig 6: Progress Reporting

