

Board Paper

Date

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Title

Business and corporate plan

Report Author

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Paper for decision

Open in part

Issue

1. The OEP is defining its first business plan for the year 2022/23, and associated first corporate plan for the years 2022/23 to 2024/25. The corporate plan is to be published after the elections in May.
2. This paper proposes objectives and an outline structure for the OEP's first corporate plan. It explores the capacity the OEP absorbs in delivering its mandatory activity, and the residual capacity available to meet its discretionary activities. It opens a discussion on the first priorities for the OEP in exercising its functions, and seeks the Board's steer to inform the further development of the OEP's plans.

Recommendation

3. The Board is recommended to:
 - a. agree the objectives for the OEP's first corporate plan, and the outline structure proposed
 - b. agree that the corporate plan shall not be subject to formal consultation
 - c. note the analysis of the resource needed to deliver the OEP's non-discretionary activities, and the residual capacity and resources available for prioritisation

- d. agree and comment on the thematic issues proposed to be subject to detailed scoping for inclusion in the OEP's first business plan, those held for future consideration, and those not determined priority now

Background

4. In a typical year, our aim will be to settle our priorities by December, allowing our plans to be confirmed early in the year and early activity to be completed to start the year at pace. We are behind this cycle this year.
5. Our planning must deliver two complementary products:
 - a. a business plan – the core operational plan for individual teams, and the organisation as a whole. Its purpose is to create a prioritised, adequately resourced, properly sequenced and co-ordinated work programme. It is internally focussed.
 - b. a corporate plan – to articulate that plan to an external audience, as a companion to our strategy. Its purpose is to confirm publicly what we will do, within our strategy.
6. The draft OEP framework agreement sets out that the OEP's corporate plan is to include:
 - a. objectives and associated performance targets, and the strategy for achieving those objectives; [Note - other than performance targets, this is set out in our strategy]
 - b. targets and milestones for the year immediately ahead linked to budget information setting out resources allocated to achieve specific objectives
7. The Board agreed in October to structure the corporate plan by the OEP's strategic objectives. In its workshop in February it gave steers on the objectives of the plan, including that the OEP's distinct role, independence and the urgency to act should shine through; that it should be an honest reflection of our capacity, and not overcommit in a way which prevents us responding to issues that arise.
8. This is a 'zero-based' operational planning exercise. There are very few existing commitments, and no established business as usual activity on which to draw experience. The Executive has discussed that the business planning process must play a critical role in confirming relative priorities for the organisation, and sustainably aligning our capacity with our commitments. A first area of focus has been to establish the proportion of our activities that our non-discretionary activity absorbs, and the balance available for prioritisation.
9. We set out an approach to prioritisation in our draft strategy for consultation. We must use this to prioritise our plans. This will also help us learn in practice about the policy we explain. Our prioritisation framework is set out at Annex A.
10. The Board gave a firm steer that our first corporate plan should commit to seek to address some issues, through our functions. It considered some of the sources of evidence for the matters we could prioritise. Subsequent to the Board's discussion we have engaged with a number of stakeholder groups to seek input on early priorities the OEP may choose in its plan. Issues identified from all sources, including stakeholders, are indicated in the list of issues that could be considered in Annex B.
11. A number of issues have been scoped to test the extent to which the OEP could make a difference. 2 page scoping papers were produced considering all issues shaded grey at

Annex B. These set out: the issue that could be addressed, an indicative work plan, a hypothesis of how we would make a difference, and a judgement against the questions of our prioritisation criteria. An Executive workshop considered these, establishing a priority order. These proposals are summarised, in priority order, at Annex C.

12. Beyond the planning activities now in train, the Executive has also considered the imperative to be responsive in year, and the need to have mechanisms to stop, slow down or pause work as emerging priorities are identified and issues arise which should take precedence.

Analysis

Corporate Plan

13. The corporate plan is to be published. We propose that these objectives:
 - a. show the independent role we have and the difference we can make
 - b. show our confidence and intent to make a difference
 - c. to be a plan we live up to and deliver, and not to over commit before we are certain
 - d. contribute to establishing our credible voice with stakeholders
14. While the corporate plan is influenced by Defra’s expectations set out in the framework document, we have discretion over the content and structure of the plan. Public bodies take a wide range of approaches. The [National Infrastructure Commission](#) (an organisation of broadly comparable size) includes a small number of milestones for the year, a brief narrative description of the activity to support each of its objectives, and performance metrics, along with descriptions of its role, remit, members and delivery to date. [Environmental Standards Scotland](#) provides activities that will support each objective. [Natural England](#) provide an extensive list of milestones in the context of five year aims it sets out for each of its objectives alongside budget and performance information.
15. The OEP’s strategy is a foundational document, required by statute. We judge it right that this is the lead document in setting our strategic approach. We propose that the corporate plan is created as a companion to the strategy, should not repeat any content in the strategy, nor pre-empt content in the annual report. We therefore propose the plan be as succinct as is possible, focussed on what it must include. An outline proposal is:

Foreword (1-2 pages)	To set out the narrative, introduce and frame the remainder of the plan and draw the links to the strategy.
Introduction and context (1 page)	To include the purpose of the corporate plan, and the specific context of this plan and OEP’s maturity. It would be a factual underpinning to the foreword, and not include explanatory information about the OEP set out in our strategy.
Delivering our objectives (1 to 2 pages per objective)	To include a narrative introduction, including how we will respond to events or evidence gathered. To include specific milestones for things we will deliver: <ul style="list-style-type: none"> • Any specific identified early priorities • Activities to deliver this objective (generally) • Activities to build our capabilities to exercise this function in future

	We propose each objective would have between 5 and 10 milestones.
Measuring our performance (2 pages)	An early framework for measuring our performance and a plan to develop it over time (to be brought to the Board at its April meeting).
Our resources (1 page)	An allocation of our resources by objective, including our approach to prioritising in year to issues that arise.

Consultation on the Corporate Plan

16. In its February workshop, the Board requested consideration be given to whether the OEP should consult on the contents of its corporate plan.
17. There are some potential benefits. It could support the OEP in gaining further insight into the priorities it chooses to address in its activities. That insight might be broader than achievable through targeted stakeholder engagement, supporting acceptance of our priorities. It may help the plan be better targeted. There are also risks:
- a. We are consulting on our strategy. Any consultation on our corporate plan could only be launched at the point we adopt our strategy given the implications of pre-election periods in Northern Ireland and England. Assuming a six to eight week consultation, this might see us adopt a corporate plan in August, 5 months into the financial year. This would risk insufficient focus, under delivery and spend, reducing our impact, undermining our credibility and case for sufficient resources in future years.
 - b. Our plan must be independently formed, and not all our stakeholders can respond to consultations – notably government. There is a risk that special interest groups and others would mobilise to influence our consultation, leading to perceptions that our priorities are not independently determined.
 - c. Consultation now creates a precedent, and may require or set expectation that we will consult similarly in every subsequent year.
18. On balance, we think some of the benefits of consultation can be gained by engagement with stakeholders, and planned activities to generate evidence to inform our work in future (for example, a call for evidence or similar in priorities for review in the implementation of environmental law). The risks of consultation are real, and the delay and lack of urgency that would imply is judged to be determinative. We propose not to consult formally on that basis. We have engaged with stakeholders on our early priorities in our workshops in February.
19. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.*

Prioritising discretionary activity for our business plan

20. The executive considered the issues scoped, prioritising into:
- a. The highest priority issues of greatest importance and where the OEP can make the most unique difference, that should be scoped now into detailed work programmes, at the scale and timing that the organisation can sustain;
 - b. issues that seed our 'long-list' of issues to be considered

- c. issues that can seed our ‘tactical commissions’ to scope and deploy externally, potentially at short notice as budgetary flexibility allows
 - d. issues that should not be priority now
21. The categorisation, and a rank order of the highest priority issues is set out at Annex C. Four high priority issues are proposed for detailed scoping. This aims to more fully develop and test potential work programmes, against our ability to make a difference and our capacity. It is not clear how many our capacity will allow. Those four priorities are proposed in this priority order:
- This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.*
22. Until further scoping is complete, it is not clear how many programmes of work we are able to initiate, alongside our mandatory activity – on targets, scrutiny of the EIP and other advice sought of us, and activity through our regulatory casework. The Board’s steer is sought whether that further scoping should be undertaken in this priority areas, or elsewhere.

Changing course in year

23. We know that our planning assumptions this year are not informed by experience, and there is greater uncertainty on the demands we will face, and the choices we will make. The OEP is also by design intended to be responsive, and flexible across its functions. Our strategy is to be issue led, and prioritise across our functions to where we make the most difference.
24. The Executive has agreed a mechanism for prioritisation in year, based on principles of agile project management. This sees a portfolio prioritisation schedule dynamically maintained, so that new issues that arise can be prioritised into this schedule alongside existing commitments, and a monthly Executive meeting to consider holistically organisational performance, finance, and delivery and deploy and re-deploy resources according to priorities as they change. Implied is that some work is designed to be able to stop, or slow down, with interim ‘exit points’ identified where possible.
25. The ‘long-list’ identified at Annex C, along with issues that fall from those identified for scoping now will seed this long-list. Also identified are issues where our work programme could be shorter, self-contained, or externally commissioned. This aims to seed a tactical programme to take advantage of budgetary flexibility as it arises in year. Through these mechanisms, we aim to build a flexible portfolio – actively prioritised ongoing, and responsive to opportunity as it arises.

Northern Ireland

26. The analysis of our capacity above includes our assumed capacity for Northern Ireland along with associated non-discretionary work.
27. The long-list of issues for scoping draws on a range of sources of intelligence including intelligence which applies equally to Northern Ireland and England. However, our internal intelligence, 25YEP monitoring report, and stakeholder insight is most likely skewed towards English issues. We have, however, ensured that we scoped the thematic matters arising from our NI complaints. It is likely that further insight will be gained as we increasingly step into our NI remit, and stakeholder relations. We should expect to be challenged by NI stakeholders to do and be seen to do enough of direct relevance to their priorities.

Finance and Resource

28. This proposal aims to make best use of our resources. It sets out the analysis available on our capacity, based on the confirmation of our budget available.

Impact Assessments

Risk Assessment

29. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.*

Equality Analysis

30. No material equalities impacts have been identified. It is good practice to consider the extent to which our chosen priorities may have disproportionate impact on those with protected characteristics. We can consider that at a later stage.

Environmental Analysis

31. The scoping exercise intends to identify those areas of work where we can make the greatest contribution to our principal objective, in the manner set out in our strategy. Relevant considerations under environmental law were considered within the specific templates supporting prioritisation.

Implementation Timescale

32. The Board's decisions and steer on the issues priorities will be reflected in a third round of business planning, with plans adjusted as necessary to take account of the steer. A business plan will be tabled to the Executive in early April, for agreement by the Board at the end of April.
33. We aim to propose initiation of certain 'no regrets' activity ahead of this to ensure we can hit the ground running in the new business year. This is likely to be focussed on the non-discretionary activity identified and may also need to include priorities with long lead times or otherwise already tight critical paths.
34. We anticipate publication of the corporate plan, alongside the adopted strategy in early June.

Communications

35. The publication of our plans could be a significant moment of truth for the organisation. Its publication is within a wider schedule of publications and announcements, that the OEP intends to make. A communications approach is to be developed in this context.

External Stakeholders

36. We consulted with our established stakeholder community to secure insight on early priorities for the long-list in February. These suggestions are indicated in Annex B. Sessions were held

with those stakeholders most familiar with OEP’s functions, who we consulted in our pre-consultation engagement. Sessions were held with UKELA, eNGOs, ADEPT, and Defra’s ALBs. Some Northern Irish stakeholders were involved in the UKELA and eNGO sessions.

- 37. We took account of Defra’s research for public priorities for the environment in developing the long-list. Our own public engagement strategy may yield information, and insight.
- 38. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.*
- 39. The tailored review of the OEP planned for the autumn is likely to take a keen interest in our corporate plan, and our progress in delivering it at that point. It would be helpful to be able to demonstrate that we had completed some high impact projects well before the review.

Paper to be published	Yes
Publication date (if relevant)	With meeting minutes
If it is proposed not to publish the paper or to not publish in full please outline the reasons why with reference to the exemptions available under the Freedom of Information Act (FOIA) or Environmental Information Regulations (EIR). Please include references to specific paragraphs in your paper	N/A

ANNEXES LIST

ANNEX A – Prioritisation Framework

ANNEX B – This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.

ANNEX C – This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.

Annex A – Prioritisation Framework

Principles for OEP prioritisation

1. We will prioritise across our functions so that our work makes the most difference
2. We will prioritise by judgement, supported by the evidence available at the time
3. Our judgement will be guided by four main questions:
 - a. how large an effect could our action have?
 - b. how likely is our ability to have that effect?
 - c. what is the strategic fit?
 - d. what is our capacity and capability to deliver?
4. We will be transparent about matters we prioritise, and those we do not.

Factors to inform our analysis

- a. Our analysis of how large an effect our actions could have considers:
 - the gravity of the issue, or extent of the opportunity for improvement
 - how much our actions could mitigate or improve the situation
 - when our actions could mitigate or improve the situation
 - the potential consequences of our actions to other systems
- b. Our analysis of how likely our ability to have an effect is will test our hypothesis for how we will make a difference. It considers
 - How well we understand the steps needed for there to be an effect from our actions
 - How credible and secure those steps are, including our confidence in others to take action where we rely on them
 - Who else is influencing, and whether our activities complement
 - How certain the evidence is

Where we face uncertainty, we will take a risk-based approach. For example, the greater the importance of the natural environment or human health impact, the greater scope for adopting a proactive approach, even in the face of uncertainty.

- c. Our analysis of the strategic fit includes
 - Whether we are uniquely placed to make a difference
 - Whether there is a time-bound or unique opportunity to effect change
 - Whether others are acting, and we can have bigger effect together
 - Whether the work aggregates or conflicts with other actions the OEP is taking
 - How well the work fits with the balance of our overall programme, including in its breadth of coverage of our remit
 - The risks to the OEP of acting, and not acting
- d. Our analysis of our capacity and capability to deliver includes
 - The scale and duration of the commitment needed to make a difference
 - Whether the resources are available to the OEP
 - Whether the capabilities are available to the OEP