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| Agenda item: | 9 |
| Attachment: | A |

# HRA Board paper

# 5 February 2020

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| Title of paper: | 2020-2021 business planning |
| Submitted by: | Juliet Tizzard, Director of Policy  Karen Williams, Deputy Chief Executive and Director of Finance |
| Summary of paper: | To update the Board on the development of the Business Plan for 2020-2021 |
| Reason for submission: | For information |
| Further information: | The paper covers:   * Approach to business planning for 2020/21 * Update on DHSC funding discussions for 2020/21 and beyond * Outline business plan template for 2020/21 |
| Budget / cost implication: | Financial plan for 2020-2021 in development |
| Dissemination: | Business plan to be published in April 2020 |
| Time required: | 10 minutes |

## 2020-2021 business planning

### Approach to planning

* 1. We have taken an approach to business planning for the financial year 2020-2021 which is slightly different from previous years.
  2. With our strategic planning period coming to an end in March 2020, we have reviewed our strategic objectives to ensure that we are clear about what we are trying to achieve as an organisation, in the context of a changing external environment. The business plan will articulate how we intend to achieve the first year of the new strategy.
  3. Given financial uncertainty for 2020-2021, we have taken a bottom-up approach business planning. This started in early January with a Strategic Leadership Team workshop to consider a series of business cases from each directorate, for existing and proposed new activity. This approach has enabled us to prioritise activity across the organisation and agree collectively what should be delayed or stopped and what should be prioritised and accelerated. This prioritisation work isn’t yet complete, but we have agreed that the focus will be on:
* maintaining our current services and ensuring that we bed in new processes and support staff managing those processes
* devoting resources to running a small number of prioritised projects which can create capacity or savings in the following financial year, to bring about more significant improvements more quickly
* taking a more cross-organisational approach to managing and resourcing those prioritised projects, for example by using staff in the Policy and Partnerships directorate to boost engagement, particularly with research ethics committee and CAG members, to bring about improvements which will have greater buy-in.

### HRA strategy

* 1. The three new objectives discussed at the December Board meeting provide a structure for the activities which will be set out in the 2020-2021 business plan. Sitting under a new strategic vision, the objectives provide a clear link between the strategy and the business plan. This will ensure that our service delivery and projects align with the strategy and allow our staff to see how they are contributing to our strategic objectives.

### Financial planning

* 1. DHSC have indicated that our 2020/21 admin budget is £14,393k an increase of £2m based on 2019/20 baseline. This increase is to fund government priority areas as well as historic increases in activity not reflected in previous spending review allocations.
  2. To help ensure our financial plan is accurate and achievable, we have taken a zero-based approach to financial planning. This has involved developing a financial plan for each directorate afresh, based on planned activity rather than carrying over budgets from the previous financial year.
  3. Given the extensive EU Exit requirements for our research systems, further funding has been secured to provide bridging finance for our programme in 2020/21, in addition to our admin allocation. DHSC have confirmed £2.6m will fund developments required to ensure the HRA in collaboration with our regulatory partners have the necessary systems in place to meet EU Exit requirements.
  4. In parallel, a business case for our research systems transformation programme is being finalised based on HM treasury 5 case model. This will be submitted to DHSC following the February HRA Board meeting. This business case supports a programme to transform our legacy research systems to meet strategic and operational requirements. Additional funding is being sought for this programme outside of the spending review process.

### Next steps

* 1. A further planning workshop with the Strategic Leadership Team is scheduled for 18 February, after which we will populate the business plan ready for approval at the 18 March Board meeting.
  2. The Board will also finalise the refreshed HRA strategy at the March meeting.