Informal Joint Performance and Audit Scrutiny Committee

Forest Heath
District Council

Title of Report:	**Performance Management - 18/19 Draft Performance Indicators, Targets and Format (including financial reporting)**
Report No:	**PAS/FH/18/015**

Report to and dates:	**Performance and Audit Scrutiny Committee**	31 May 2018

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Purpose of report:	This report is intended to provide the opportunity to discuss and review the principles, metrics and format proposed to be used for Performance Management for 2018/19.
Recommendation:	**Performance and Audit Scrutiny Committee:** **It is RECOMMENDED that members scrutinise the proposed Balanced Scorecards indicators and targets for 2018/19 and identify any further information required for their use commencing Q1 2018/19 Performance and Audit Scrutiny Committee in July 2018.**

Key Decision: (Check the appropriate box and delete all those that **_do not_** apply.)	Is this a Key Decision and, if so, under which definition? Yes, it is a Key Decision - ☐ No, it is not a Key Decision - ☒		
Consultation:	• Leadership team (LT), Portfolio Holders and service areas have been consulted during the development of the 2018/19 draft performance indicators, targets and format		
Alternative option(s):	• Keep the existing format. However, the opportunity will be missed to let the current framework evolve and improve to achieve better performance management outcomes.		
Implications:			
*Are there any **financial** implications? If yes, please give details*	Yes ☐ No ☒		
*Are there any **staffing** implications? If yes, please give details*	Yes ☐ No ☒		
*Are there any **ICT** implications? If yes, please give details*	Yes ☐ No ☒		
*Are there any **legal and/or policy** implications? If yes, please give details*	Yes ☐ No ☒		
*Are there any **equality** implications? If yes, please give details*	Yes ☐ No ☒		
Risk/opportunity assessment:	*(potential hazards or opportunities affecting corporate, service or project objectives)*		

Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	Low/Medium/ High*		Low/Medium/ High*
Failure to update performance targets may impact on their effectiveness	Medium	Regular review of performance metrics and targets at Leadership Team, with Portfolio Holders and at PASC.	Low

Ward(s) affected:	All Wards
Background papers: *(all background papers are to be published on the website and a link included)*	
Documents attached:	**Appendix A** – Proposed PASC 2018-2019 Balanced Scorecard

1.   Introduction and Purpose

1.1   West Suffolk Councils have a clear set of Strategic Priorities that set out what the councils are aiming to achieve from 2018 to 2020. We have during 2017/18 proposed a revision to the current performance management approach to develop into a performance framework that enables understanding of progress towards those strategic priorities as well as giving insight on the delivery of the large range of day-today services to the residents of West Suffolk.

1.2   Throughout 2017/18 Performance and Audit Scrutiny Committee (PASC) has reviewed each quarter a set of 97 Key Performance Indicators (KPIs) split across 5 service-based balanced scorecards. They have been in use in various formats since April 2015.

1.3   This report is intended to provide the opportunity to discuss and review the draft principles, metrics and format proposed to be used for Performance Management for 2018/19.

1.4   The purpose of this evolution and development of the performance management framework is to ensure that management information supplied to the PASC, Cabinet and Leadership Team clearly shows:

- Progress towards strategic goals.
- Insight on initiatives that will ensure future progress.
- Areas that require decisions and actions to keep on track to their goals.
- Items with a significant level of risk associated with them.
- Flexibility in approach allowing the escalation of performance successes and challenges
- Inclusion of qualitative information as part of our overall story/messaging around performance.

2.   Process

2.1   There have been series of workshop sessions with each service area over the last few months, which have had the aim of defining each services strategic goal and where it sits with relation to those strategic goals.

2.2   Using these as a starting point, metrics were then devised that would show progress towards these goals (outcomes) and activities undertaken to achieve them (activities and outputs).

2.3   These have then been refined within the services with regard to information availability and value. Targets have also been proposed based on prior year's information and trends where they are available (these are still in development for the Growth scorecard).

2.4   Thresholds that would trigger an Amber or Red warning dependant on variance against Target has also been defined and recorded.

2.5   These KPIs have then been categorised to match up against the Strategic Priorities or day to day service delivery creating 4 scorecards attached at **Appendix A**.

3. Principles

3.1 <u>Focus on message</u>

3.1.1 As part of the quarterly production of the balanced scorecards to PASC, the executive summary should provide the key messages (messages supported by the communications team) that need to be raised and communicated for that time period along with any forecasted performance successes and/or challenges (might be based on trend or additional information).

3.1.2 This will be supported by the key relevant metrics as required. The full set of key performance indicators (KPI's) will sit behind this summary.

3.1.3 This would build on the current approach but with more emphasis on key messages as part of our overall story/messaging around performance rather than the detail of individual KPIs.

3.2 <u>Relevance and Value</u>

3.2.1 Each metric has been assessed on its relevance to delivering each services strategic goal (and therefore the councils Strategic Priorities) and whether it is of real value to aid decision making and management of that service.

3.2.2 There are services where it has been identified that it is extremely difficult to track progress using regularly reported metrics due to the longer term qualitative nature of the work.

3.2.3 These services are:
- Families & Communities
- Policy

3.2.4 These areas are best represented through case-studies and examples of specific initiative delivery. These should be called out as part of the overall commentary and supported by relevant data as each case requires.

4 Performance and Audit Scrutiny Committee Format

4.1 The proposal is that the primary report to Performance and Audit Scrutiny Committee (PASC) will be a summary of the key financial indicators, the key KPIs relevant to that periods performance and a commentary that uses these KPIs (and any additional information) to highlight the key areas for discussion and decision making. This would be supported by the full set of KPIs split by Strategic Priority (plus Day-to-Day service monitoring) and the detailed Budget Monitoring reports (rather than them being a separate report to PASC).

4.2 This is planned to integrate our reporting in a way that presents the key messages in one place for quick and clear understanding whilst retaining the supporting metrics and information to give confidence in and visibility of overall council delivery.

4.3 It is envisaged that this new format will continue to evolve during 2018/19 taking into account feedback from Cabinet and PASC members.

4.4 This format will be used from Q1 review at PASC in July 2018.