

Informal Joint Performance and Audit Scrutiny Committee



Title of Report:	Balanced Scorecard and Quarter 1 Performance report 2015-16	
Report No:	PAS/SE/15/016	
Report to and date:	Performance and Audit Scrutiny Committee	30 July 2015
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Purpose of report:	This report sets out the West Suffolk Balanced Scorecards being used to measure the Council's performance for 2015-16 and an overview of performance against those indicators for the first quarter of 2015-16.	

Recommendation:	Performance and Audit Scrutiny Committee: Members are requested to: 1) <u>Note</u> the performance indicators and targets being used to measure the Council's performance for 2015-16; and 2) Review the Council's performance using Balanced Scorecards for Quarter 1, 2015-16 and identify any further information required or make recommendations where remedial action or attention is required to address the Council's performance.
Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>
Consultation:	<ul style="list-style-type: none"> This report has been prepared in consultation with all relevant staff and Leadership Team.
Alternative option(s):	<ul style="list-style-type: none"> The option of doing nothing may result in poor performance, monitoring performance can highlight where remedial action may be needed
Implications:	
<i>Are there any financial implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> While there are no direct financial or budget implications arising from this report, it is possible that any recommendations of the Committee may have some resource implications. For example, resources may need to be reallocated to improve performance in a future period.
<i>Are there any staffing implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none">
<i>Are there any ICT implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none">
<i>Are there any legal and/or policy implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> There are no legal implications from this report. Poor performance levels may impact on the Council's ability to implement its policies or high-level strategies.
<i>Are there any equality implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none">
Risk/opportunity assessment:	<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>

Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	Low/Medium/ High*		Low/Medium/ High*
Failure to achieve optimum or target performance which may impact on resources	High	Regular reporting of performance to Joint Leadership Team, Portfolio Holders and to PASC can highlight where remedial action may be needed.	Medium
Ward(s) affected:		All Ward	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		None	
Documents attached:		Appendix A – Resources and Performance Balanced Scorecard Appendix B – Families and Communities Balanced Scorecard Appendix C – Human Resources, Legal and Democratic Balanced Scorecard Appendix D – Planning and Growth Balanced Scorecard Appendix E – Operations Balanced Scorecard Appendix F – Housing Balanced Scorecard Appendix G – Forest Heath, St Edmundsbury and West Suffolk Performance Indicators 2015-16 – Quarter 1 results	

1. Key issues and reasons for recommendations

1.1 Background

- 1.1.1 At the previous meeting of this committee, members considered, scrutinised and supported a report on the desired West Suffolk Performance Management outcomes for 2015/16.
- 1.1.2 The report explained how the right performance management tool can act as a catalyst for creating and sustaining the performance management framework desired by the West Suffolk councils. A recognised performance management tool is the balanced scorecard.
- 1.1.3 It must be noted that whilst benefits of the new framework should accrue from the beginning, those benefits increase over the coming months/years, as the new performance management principles and practices become embedded in the West Suffolk culture. Consequently, we need to sustain and improve our performance management framework in order to gain the greatest benefit.

1.2 Performance Measures and targets – 2015/16

- 1.2.1 Attached at **Appendices A to F** are the current Balanced Scorecards (based on Head of Service area) including the proposed performance measures, targets and quarter one data for 2015/16. There are some performance measures which are consistent across all six balanced scorecards (i.e. number of complaints / compliments), as well as service specific performance measures which will only be on the relevant service scorecard.
- 1.2.2 It is envisaged the Balanced Scorecard report will replace a number of the existing reports that currently go through this committee, such as the quarterly Key Performance Indicator report, quarterly Strategic Risk Register report and the Bi-annual Corporate Complaints and Compliments report. It is envisaged that the Balanced Scorecard approach will remove the need to report the current quarterly KPI (**Appendix G**) and bi-annual corporate Complaints and Compliments report after quarter 1. From quarter 2 it is envisaged that the quarterly Strategic Risk Register report will also no longer be required as this will be covered within the Balanced Scorecards from quarter 2.
- 1.2.3 At present the Balanced Scorecards are manually prepared using Microsoft Excel. Over the next few months, staff will also look for options for the best supporting systems to deliver on our desired performance management outcomes including automation.

1.3 Explanation of Balanced Scorecard

- 1.3.1 Unless otherwise stated, all performance figures on the scorecards are from a West Suffolk perspective. Where the performance for either individual Council is significantly different from the West Suffolk figure that it would have a different RAG rating, details of this are highlighted in the comments box.
- 1.3.2 The "Frequency" column in the balanced scorecard shows how often data is collected for each performance measure. There are three different collection frequencies, monthly (designated as M), quarterly (designated as Q) and half

yearly (designated as B). The periods at the top of the balanced scorecard show what the latest collection periods are.

- 1.3.3 The "Type" column identifies if the performance measure is a cumulative indicator, or a period only indicator. A cumulative indicator is one where the information is calculated using data from the beginning of the financial year to the current period (e.g. "Income generated from entire property portfolio" is an indicator that is updated with a monthly frequency, but the data is from April 2015 to June 2015 rather than for just June 2015). A period only indicator is one where the information is calculated using data only from that period (e.g. "% of non-disputed invoices paid within 30 days" is updated on a monthly basis, with the information shown only relevant to the latest period).
- 1.3.4 The "Trend" column gives a graphical analysis of historical performance against each performance measure. Where there is no graph against a performance measure, this is predominately due to the fact that there is only one period worth of data available, and at least two are needed to establish a trend graph. Some performance measures will need a different type of trend graph due to the nature of the indicator, and these will be worked on in the next quarter. The expectation is that all performance measures will have a trend analysis graph for the second quarter report to this committee.
- 1.3.5 Further work will be undertaken in the coming months to develop the project and risk elements of the balanced scorecard, with progress on this being detailed in the second quarter report.

1.4 **Quarter 1 Performance**

- 1.4.1 Across all service balanced scorecards, there are indicators measuring the performance of the transactional finance functions. These are "% of non-disputed invoices paid within 30 days" and "% of debt over 90 days old". Against these indicators, all services areas have failed to meet the targets of more than 95% of non-disputed invoices paid with 30 days and less than 10% of debt over 90 days old.
- 1.4.2 The finance and performance team are currently working with service areas to try and improve performance against both of these measures. Monthly business intelligence reports are sent out to service areas with details of all invoices processed, and detailed aged debt lists. Debt control workshops have also been set up to help improve debt collection performance.
- 1.4.3 The invoice processing indicator is based on the invoice date, rather than the date the Council received the invoice. This can lead to some delays in invoice processing if the invoices are not received for a significant amount of time after the invoice date, which does often happen, especially when suppliers batch a whole month of invoices together before they get sent in.
- 1.4.4 Included in the total debt figures for each service area is debt which is being pursued by the Legal Services Section. These are debts which have been pursued by the service areas, without success, and have been escalated for further action.