

Corporate Performance Management

**Review of Performance Packs
Proposed Corporate Performance Framework**

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Contents

Contents	2
Background	3
Review of Performance Packs	3
Corporate Performance Framework	5
Actions Required of the Board	6

Appendix A: list of original HSCIC corporate KPIs

Appendix B: ‘as is, to be’ analysis of performance packs

Appendix C: proposed corporate performance framework

Background

*“In order for the HSCIC to be successful and deliver on our statutory obligations and commitments to stakeholders as well as our strategic objectives we have designed an **organisation-wide performance management framework**... During the financial year 2014/15 we will continue to develop, enhance and embed what has already been designed and is being used.”*

HSCIC Business Plan, 2014-15.

1. The Framework Agreement (April 2014) between the Department of Health and HSCIC requires this organisation to “develop a reporting process to assure each meeting of its board...of financial and operational performance.” The HSCIC Business Plan 2014-15 commits the organisation to routinely report on corporate performance. The original intention, as outlined in the Business Plan, was to develop up to twenty corporate Key Performance Indicators (KPIs) to drive performance reporting. A subsequent internal audit review of corporate performance management has recommended that one further KPI is developed to cover Cyber Security. This takes the number of corporate KPIs to 21: the complete list is shown at **Appendix A**.
2. This report proposes a new approach to reporting on performance against the areas of activity covered by the original set of corporate KPIs. The proposal is to report monthly on a smaller set of KPIs, but to complement this with a framework of wider performance reporting. This report sets out this proposal, covering two main themes:
 - The introduction of a revised performance pack for reporting KPIs, developed following the recent review of performance packs.
 - The introduction of a wider Corporate Performance Framework for the organisation.

Review of Performance Packs

3. Under the performance management arrangements developed by HSCIC during 2013-14, performance against these corporate KPIs is reported to the Executive Management Team (EMT) in a monthly performance pack. A subset of around ten corporate KPIs is reported to the Board in its performance pack, with the proviso that if any of the remaining KPIs has a ‘red’ status these are also reported to the Board. At its May 2014 meeting the Board approved a review of these performance packs, with a view to reducing the quantity of information reported to the Board whilst enhancing the quality and value of this information. The review involved discussions with directors and other key people involved in the production and use of the packs. It also included discussions with Non-Executive Directors.

General Messages

4. Achieving a performance pack that satisfies everyone in terms of content and format is difficult. However, a number of general messages consistently arose, as follows:
 - There is too much information in the current performance pack. The detail about individual areas of activity makes it difficult to get an overall impression of how well the organisation is doing ('can't see the wood for the trees').
 - There is support for the KPI Summary page and Executive Summary at the front of the pack. However, the Executive Summary could be used better to draw together multiple performance issues into a single coherent narrative of the overall position.
 - Much of the supporting technical material in the pack (e.g. appendices showing KPI definitions and tolerances / thresholds) is not necessary. Although the organisation should maintain this material as part of its assurance arrangements, it does not need to be reported routinely to the Board in the performance pack.
 - In respect of the format of information in the pack, there is a preference for less text and technical detail, and more visual or graphical presentation.
 - It would be helpful if the performance information could do more to show trends over longer timescales than at present (for instance, over a rolling twelve month period.)
 - The KPIs in the pack should focus on finance, people (staffing/HR), reputation, operations, delivery of services and programmes, and overall impact or usefulness of the organisation. There should also be a KPI for cyber security if a meaningful measure can be developed.
 - The current pack tends to duplicate some other areas of reporting: for instance, the transformation progress KPI adds little value as the Board and EMT already receive regular and more in-depth updates on the transformation programme.
 - Some KPIs in the EMT pack (but not in the Board pack), such as Burden Reduction, Knowledge Management, and Supporting the Growth Agenda, are more about wider business plan objectives or strengthening the values of the organisation. These are not well suited to monthly KPI reporting and instead would be better reported as quarterly or six-monthly updates, or even as annual 'position statements'. For instance, they could be reported on as part of a quarterly analysis of business plan delivery, and also perhaps be picked up in sections of the Annual Report.
5. The first iteration of the new performance pack is included on the agenda for this meeting. **Appendix B** of this report sets out the approach taken this month to the original corporate KPIs, along with suggestions for other sections of the performance pack. The overall 'look and feel' of the new pack has been informed by existing internal guidelines concerning the design and format of corporate documents and the presentation of charts and graphs. The overall effect of the changes is to half the length of the pack whilst making the information in it more meaningful and accessible.
6. Note that this first edition of the new performance pack is not considered to be a final version. Further developments will result in a more mature second edition of the new performance pack for the October meeting. Further changes will include new and improved KPIs for Organisational Health, Risk Management and Data Quality. Feedback received about this first iteration of the new pack can be applied to the October edition.

Corporate Performance Framework

7. It is important not to think of corporate performance management narrowly in terms of the performance packs alone. Instead, the performance pack should be seen as one component of a suite of tools that enables the organisation to capture and report its performance. Other corporate performance management tools could include quarterly reporting of business plan delivery, annual reporting arrangements, and performance 'deep dives' which facilitate greater exploration and detailed analysis of particular areas of interest or concern. Taken together, the performance pack plus these additional tools can be regarded as a corporate performance framework.
8. It is proposed to broaden the HSCIC performance model in order to introduce a wider 'corporate performance framework'. The proposed HSCIC Corporate Performance Framework would contain the following elements:
 - KPI Performance Packs (monthly)
 - Business Plan Delivery Reporting (quarterly)
 - Annual reporting arrangements
 - Other reporting routes
 - Performance 'deep dives'
9. The following paragraphs explain more about the components of the proposed Corporate Performance Framework:
 - **KPI Performance Packs (monthly):** at Board, EMT, and Directorate levels. The Board and EMT packs will contain fewer KPIs and less technical information and supporting material. Some existing KPIs will be consolidated with others. For example, satisfaction of stakeholders and suppliers will be reported as elements of a revamped Reputation KPI. Similarly, staff engagement will be reported as one aspect of a new Organisational Health KPI to be introduced in October. At directorate level, some directorates are actively reviewing their performance packs, and the corporate Business Intelligence team can be deployed to support this work. In addition, consideration should be given to the development of performance indicators and reporting arrangements for the new Customer Relations directorate and for those areas of activity for which the Chief Technical Officer is responsible.
 - **Business Plan Delivery Reporting (quarterly):** this would introduce a more systematic approach to reporting delivery of the Corporate Business Plan, based on a quarterly dashboard-style report (to be developed). Some elements of HSCIC activity that are not well suited to a monthly KPI format could be reported quarterly through this route (for instance, Knowledge Management; Innovation). It is proposed that reporting of Corporate Business Plan delivery should commence with a quarterly review at the close of 2014-15 quarter two, thereby giving the organisation a clear sight of delivery progress at the mid-point of the year.
 - **Annual Reporting:** some elements of HSCIC activity that are not suited to monthly capture could be reported through an annual progress report, or perhaps as a section in the official HSCIC Annual Report. Examples include Burden Reduction and Supporting the Growth Agenda. In addition, an annual report on overall Corporate Business Plan Delivery could be produced, taking care to ensure that this complements rather than duplicates the HSCIC Annual Report.

- **Other Reporting Routes:** some KPIs duplicate existing reporting routes. As mentioned previously, for instance, the Transformation Programme Progress KPI duplicates information about transformation progress that is already reported to both EMT and the Board by other means. Similarly, the Staff Engagement KPI duplicates existing reporting of the Staff Survey results. In future, headline staff engagement information will be included in the new Organisational Health KPI, and detailed analysis will be included as part of the existing arrangements for reporting the staff survey results to EMT and the Board. In addition, although there is ambition to develop a Cyber Security KPI, arrangements already exist for reporting progress on the Cyber Security Programme to EMT and the Board. In order to demonstrate that progress on Cyber Security is captured, the existing reporting arrangement should be incorporated into the corporate performance framework, at least pending the development of a suitable KPI. This section of the proposed framework also includes progress reports on implementation of the Partridge review recommendations.
 - **Performance Deep Dives:** these would be deeper, more detailed investigations into performance issues which require greater analysis. These would be 'commissioned' by EMT or the Board, possibly as one output of the performance pack item presented in the public session of the Board.
10. The diagram at **Appendix C** sets out the proposed HSCIC Corporate Performance Framework. This is presented as a proposal and feedback is welcome to inform a finalised version. The performance framework would evolve and mature over time, and be sufficiently flexible to accommodate new priorities. Note that under the proposed performance framework there remain some items of performance reporting that require further development. These include the Usefulness of Service KPI and the capture and reporting of information about patient and public engagement. The latter has become more important recently as one clear message emerging from the stakeholder event on 21 July was the need for better public engagement.
11. By adopting this proposed performance framework HSCIC will be well placed to report against the areas of activity as originally envisaged in the Corporate Business Plan 2014-15, but will do so in a more proportionate and effective manner.

Actions Required of the Board

The Board is asked to:

1. Provide feedback on the revised performance pack.
2. Endorse the development of a Corporate Performance Framework and provide feedback on the proposal presented.

21 Corporate KPIs (the original 20 plus a proposed Cyber Security KPI):

1. Programme Achievement
2. IT Service Performance
3. Organisational Health
4. Reputation
5. Information Quality
6. Data Quality
7. Key Supplier Satisfaction
8. Key Customer / Stakeholder Satisfaction
9. Usefulness of Service
10. Burden Reduction
11. Support the Growth Agenda
12. Transformation Programme Progress
13. Innovation
14. Financial Management (DH)
15. Financial Management (HSCIC)
16. Staff Engagement
17. Knowledge Management
18. Information Governance Incidents: Impact and Risk
19. Risk Management
20. Patient and Public Engagement
21. Cyber Security

Monthly Performance Packs (KPIs)			Quarterly Monitoring	Annual Reporting	Other Reporting Routes	Deep Dives
Board	EMT	Directorates				
In Place	In Place	In Place	In Place	In Place	In Place	In Place
Programme Achievement	Programme Achievement	Programme Delivery	Business Plan Quarterly Progress Reports	HSCIC Annual Report	Transformation Programme	
IT Service Performance	IT Service Performance	Operations and Assurance	Knowledge Management	Business Plan Annual Progress Report	Staff Survey	
Organisational Health	Organisational Health	Human Resources			Cyber Security Programme	
Reputation	Reputation	Information and Analytics			Partridge Review Progress	
Finance: HSCIC	Finance: HSCIC	Finance and Corporate Services				
Finance: DH Revenue	Finance: DH Revenue	Local Service Provider Delivery				
Finance: DH Capital	Finance: DH Capital					
Information Governance	Information Governance					
Risk Management	Risk Management					
	Information Quality					
	Data Quality					
In Development	In Development	In Development	In Development	In Development	In Development	In Development
Usefulness of Service	Usefulness of Service	Customer Relations	Innovation	Burden Reduction	Patient and Public Engagement	Performance Deep Dives Commissioned by Board / EMT. Any areas of performance that require deeper investigation
Cyber Security	Cyber Security	Technology / Innovation		Supporting the Growth Agenda		