

## **Children's Hearings Scotland Board Paper Agenda Item 2.3**

<b>Date of Meeting</b>	19 January 2012
<b>Paper number</b>	CHS1112-032
<b>Title</b>	<b>Performance management framework proposal</b>
<b>Purpose</b>	The purpose of this paper is for the Board to note the proposed performance management framework and the timescales for delivery.
<b>Recommendations</b>	The Board is recommended to: <ul style="list-style-type: none"><li>◦ note the progress on the development of the CHS performance management framework and timescales for delivery.</li></ul>
<b>Attachments</b>	Performance management framework proposal
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## **Agenda Item 2.3**

### **1. Purpose**

- 1.1 The purpose of this paper is for the Board to note the proposed performance management framework and the timescales for delivery.

### **2. Recommendations**

2.1 Note the note the progress on the development of the Children's Hearings Scotland (CHS) performance management framework and timescales for delivery.

### **3. Background**

- 3.1 CHS will implement a performance management framework ("The Framework") which will be developed. The Framework will be developed in line with the corporate and business planning process. A performance management report will be designed which will provide senior management team (SMT) and the Board with the information it needs to identify organisational progress towards objectives. Measuring our performance will indicate where we are succeeding and where we need to focus our attention, making us a more effective organisation.

Appendix 1 outlines the plans for implementation of the performance management framework and creation of a performance report.

### **4 Proposal and Discussion**

- 4.1 Members are invited to discuss the proposals and timescales for the implementation of the performance management framework and to bring forward any suggestions they may have.

### **5 Resource Implications**

- 5.1 There are no additional resource implications as the Performance and Research Officer will establish the Framework and produce performance reports as part of the postholders' duties.

# CHS Performance Management Framework

## Developing the CHS Organisational Performance Framework

Children's Hearings Scotland (CHS) will implement an organisational performance framework. The performance framework will be developed in line with the corporate and business planning process. The performance framework will provide SMT and the Board with the information it needs to identify progress as well as problem areas. Measuring our performance will indicate where we are succeeding and where we need to focus our attention, making us a more effective organisation.

The corporate and business planning process will involve the following steps:

1. Develop top level organisational objectives/outcomes as well as an annual program of priorities;
2. Define how CHS intends to achieve these goals;
3. Demonstrate how it will measure organisational performance in delivering these goals.

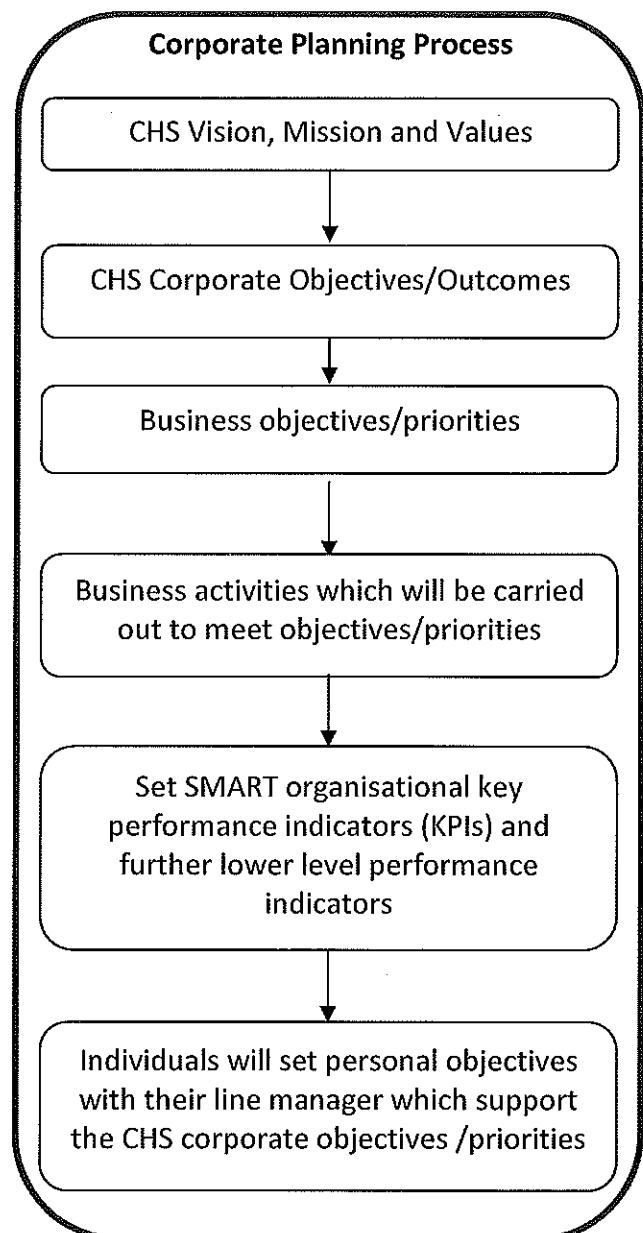
The CHS Corporate Plan will identify our corporate objectives (or outcomes), outline our key priorities over the next three years and provide a summary of the business activities we will undertake to achieve these objectives.

To accompany the Corporate Plan, a Business Plan will be produced which outlines in more detail how CHS intends to meet its targets for the financial year 2012/13 (including budget allocation and timescales for delivery).

The Corporate and Business planning process will begin on 20 January and draft reports will be submitted to the Board and Minister in February.

Once the objectives, priorities and activities have been agreed, a series of key performance indicators (KPIs) will be developed which will demonstrate CHS progress towards our objectives. It is important to note that CHS is not process driven and as such it is anticipated that only a few, meaningful KPIs will be developed. In addition, much of 2012/13 will be a transitional year for CHS and this will impact upon what we will choose to measure. These challenges will be addressed during the Corporate Planning sessions in January.

This paper proposes that CHS adopts a Balanced Scorecard performance management framework, adapted from the traditional, private sector financial focus, to fit CHS priorities.

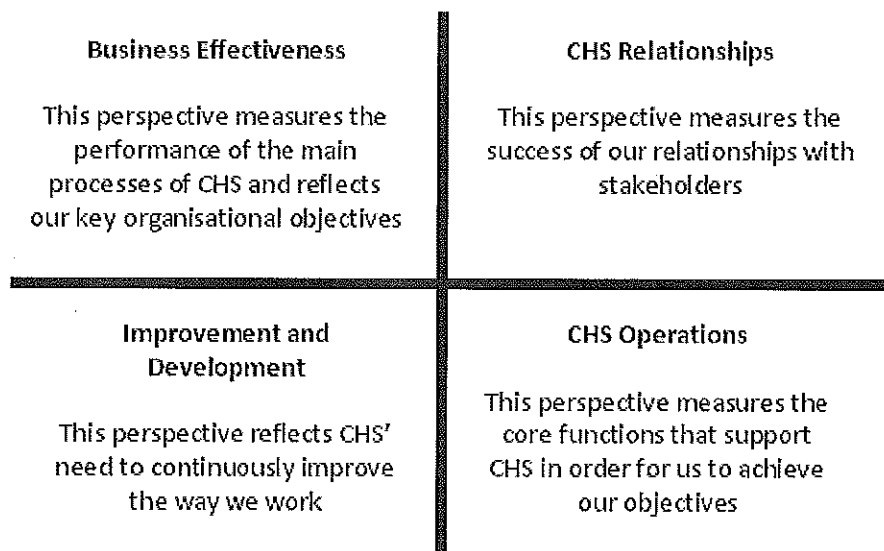


## The Balanced Scorecard

The Balanced Scorecard is a management model used to translate an organisation's mission and strategy into a comprehensive set of performance measures in order to provide a framework for strategic measurement.

The Balanced Scorecard will contain the organisational KPIs and in addition lower level, operational, performance indicators will be developed (e.g. % of freedom of information requests responded to in legislative timescales, number of training days offered to CHS staff, number of events held for panel members) which will provide a balanced view of the performance of CHS and allow us to assess our progress towards achieving our goals.

Performance indicators will be developed across four perspectives. At present these proposed perspectives are: business effectiveness (to be successful what business processes should we be good at?), improvement and development (to be successful how will we sustain our ability to learn and improve?), CHS relationships (to be successful how should we appear to our key stakeholders?) and CHS operations (to be successful how should we appear to those who provide our financial resources?).



*N.B. These headings may be subject to alteration during the corporate planning process*

A Performance Indicators Record Sheet (appendix A) will be completed for each indicator to ensure that a clear link is made between the indicator and the objective.

Performance targets will also be established. In most cases we will not have a bank of data in which we can pull trend data from and as such, where possible, targets will be developed by benchmarking against the performance of similar organisations.

### Advantages of using a balanced scorecard

- Established system – the balanced scorecard is an established performance tool in the private sector and has increasingly been adapted for use in public sector. The Information Commissioner's Office (ICO) is currently implementing a balanced scorecard;

- Organisation wide view – the use of a balanced scorecard will ensure that indicators are developed across all areas of the business to provide a balanced view of organisational progress, looking both internally and externally and at lead and lag indicators;
- Clear and accessible – the dashboard design will be used as a communication tool as it is easy to read and understand and will be designed so that it is accessible to all stakeholders;
- Not labour intensive – a few, focused indicators will be developed across the four perspectives and as such the process of producing the scorecard and report on a monthly basis will not become too onerous. As a result more time and resource will be channelled into analysing performance and identifying areas when improvement is required;
- Focuses the whole organisation on the few key things needed to achieve its objectives/outcomes – the balanced scorecard integrates the different corporate workstreams and breaks down strategic objectives to lower levels of the organisation so managers and employees both know what is required to achieve excellent overall performance.

#### **Alternatives to balanced scorecard**

- Table of indicators – a simple list of key performance indicators (outcome/objective focussed) and performance indicators (operationally focussed) could be established, however this approach may not ensure an appropriate balance between all areas of the business and lacks the structure of the balanced scorecard.

The following diagram on page 4 illustrates the format the balanced scorecard could take, with an example performance indicator for each perspective:

Traffic lights will be used to monitor progress towards achieving targets

Targets will be provided for KPIs and PIs

It is proposed that CHS will also monitor trends over time, comparing monthly statistics to the monthly average from the previous financial year

**Business Effectiveness**

Indicator	Target	Status	Indicator	Target	Status
% of panel member training attended	95%		No. of events held for panel members	4 pa	

**CHS Relationships**

**Improvement and Development**

Indicator	Target	Status	Indicator	Target	Status
No. of training days offered for CHS staff	14 pa		% audit/improvement actions completed	100% pa	

**CHS Operations**

Target met

Target forecast to be met

Target missed or due to be missed



As we intend to report performance monthly as opposed to quarterly, when selecting targets it will be necessary to consider how progress towards annual targets will be communicated. For example, we may choose an annual target, as opposed to monthly, for the indicator: number of events held for panel members. This issue has been noted and will be addressed when establishing the performance report.

### **CHS Performance Report**

Performance information will be gathered on a monthly basis and reported to SMT and the Board in the format of a Performance Report. To aid openness and transparency it is proposed that the Performance Report will be published on the CHS website on a monthly basis. This report will be presented in such a way to ensure that it is accessible to all key stakeholder groups, using simple graphs and charts where appropriate.

It is proposed that the performance report will incorporate the following information in the following structure:

<b>SECTION TITLE</b>	<b>DESCRIPTION</b>
<b>Balanced scorecard</b>	Table of performance indicators, targets and status/progress presented in a clear and accessible format.
<b>Commentary and analysis</b>	Accompanying analysis and additional information about CHS performance will be provided in this section.  This will include specific values for each indicator. Any action required as a result of performance will be noted here.
<b>Risk, finance and audit</b>	Risk – we will ensure that we integrate risk reporting with the performance management system. We will provide an overview of outstanding risks from risk register and action being taken to address them;  Finance – we will publish a summary budget expenditure report;  Audit - audit/improvement actions outstanding.

### **How will data be gathered?**

Performance data will be gathered on a monthly basis. Depending on the nature of the final performance indicators the following sources will be used:

- CHS staff
- ASTs
- Research, surveys
- Local authorities
- Scottish Government
- Scottish Children’s Reporters Administration (SCRA)

### **How will individual performance be measured?**

It is important that CHS ensures that everyone in the organisation understands the corporate strategy and objectives and recognises their relevance on a day-to-day basis.

Individual performance plans will be designed to link into the overall corporate performance framework.

Members of staff will be asked to identify the relevant corporate and business objectives and activities as part of the personal objective setting process.

### **Business Plan updates**

Updates of progress towards achieving the business plan will be provided to SMT and the Board on a quarterly basis. These will be published on the CHS website.

### **Timescales for delivery**

CHS has set its corporate planning days for 20 and 23 January 2012. During these days CHS will develop its objectives/outcomes, key priorities and business activities. At this point a set of key performance indicators will be developed so that CHS can measure its progress towards meeting its objectives. A set of further lower level performance indicators will also be developed to provide evidence of how the organisation is operating, which can be used as a diagnostic to understand where we may be going wrong.

Draft Corporate and Business Plans will be submitted to the Board and Minister in February 2011. A sample of the balanced scorecard and performance management report, including key performance indicators and performance indicators, will also be submitted to the Board in February 2012.

### **Sources used for this paper**

Scottish Public Sector Ombudsman (SPSO), Police Complaints Commissioner for Scotland (PCCS), Scottish Commissioner for Children and Young People (SCCYP), The Law Society for Scotland, Scottish Criminal Cases Review Commission (SCCRC), Scottish Children's Reporters Administration (SCRA), National Health Service (NHS), Scottish Information Commissioner (SIC), Information Commissioner's Office (ICO), 2GC Active Management, Karen Glass (Dissertation).

## Appendix A

### Indicator record sheet

<b>Title</b>  The title should summarise what is being measured.	
<b>Purpose</b>  Consider the purpose of measuring this aspect of performance. If there is no good reason, do you really need to measure it?	
<b>Relates to</b>  Which CHS objective does the indicator relate to? Design indicators to support their achievement. By completing this section you ensure the link is made.	
<b>Target</b>  Which performance targets should you set, and by when? This communicates precisely what you are trying to achieve.	
<b>Formula</b>  How do you calculate the performance measure? Be precise: the formula must include exactly what you are measuring to avoid any confusion.	
<b>Frequency</b>  Decide how often you will measure and how often you will review the measure itself.	
<b>Who measures?</b>  Identify the person responsible for the indicator.	
<b>Source of data</b>  Specify the source of data so you can use the indicator consistently. This way you can compare performance between periods accurately.	
<b>Who takes action?</b>  Who is responsible for taking action on the indicator?	
<b>What do they do?</b>  Specify the types of action people should take to improve the performance of the indicator.	

