

MIDDLESBROUGH COUNCIL
OVERVIEW AND SCRUTINY BOARD **AGENDA ITEM 8**

22 JULY 2014

BALANCED SCORECARDS

EXECUTIVE DIRECTOR COMMERCIAL & CORPORATE SERVICES

PURPOSE OF THE REPORT

1. To introduce the concept of the Balanced Scorecard, outline its planned introduction within the Council and seek the views and requirements of Overview and Scrutiny Board in relation to this process.

SUMMARY OF RECOMMENDATIONS

2. That Overview and Scrutiny Board notes the planned introduction of the Balanced Scorecard model within the Council, and provides feedback as outlined in the report to ensure the successful implementation of the model.

BACKGROUND AND EXTERNAL CONSULTATION

Background

3. As part of the Council's Change Programme, Corporate Management Team has required the replacement of the Council's current Performance Management Framework and other service monitoring processes with a integrated Balanced Scorecard approach, to be implemented during 2014/15.
4. Balanced Scorecards will provide a single and simple "dashboard" view of progress towards each of the Council's nine targeted outcomes (as set out in the Change Programme 2014-2017 document approved by Council in May 2014).
5. Scorecards present performance across four perspectives (Customer, Business, Finance and People), which though clearly interrelated, have previously been reported upon separately, together with an assessment of high level risks.
6. In addition, all nine high-level Scorecards will always be considered together. This will allow cause and effect to be considered not only within Scorecards (e.g between financial and performance information), but also *between* Scorecards (e.g. between community support and safeguarding services).

Progress to date

7. Workshops with key staff were held in late 2013 to begin the process of developing Scorecards, with the aim of establishing the service view of the most appropriate measures to be used.
8. These workshops provided a long list of measures, which after a hiatus due to senior management restructuring, Assistant Directors have been refining with the aim of piloting the Scorecard approach from Quarter Two 2014/15.
9. In addition to the above, it has been agreed that a number of standard measures and targets that will feature in all Scorecards to promote comparability on general VFM issues between service areas, as set out below.

Standard measure	Target
Customer	
Customer satisfaction measure(s) - <u>specific to each outcome area</u>	Improve, annually*
Number of justified complaints	Reduce, annually
Business	
Performance against Business Plan objectives	90% minimum
Change projects on time / cost / benefit	Within 10% tolerance
Risk mitigation actions achieved within timescales	90% minimum
Finance	
Expenditure against overall revenue budget	Within budget
Attainment of savings targets	100%
Capital projects on time / cost / benefit - <u>where applicable</u>	Within 10% tolerance
Unit cost measure(s) - <u>specific to each outcome area</u>	N/A
People	
Sickness absence per FTE	7 days
Staff with appraisal within last 12 months	90%
%age of staff meeting appropriate competencies	Improve, annually
Overall staff satisfaction	Improve, annually*

* Improvement must be statistically significant.

Next steps

10. The immediate next step is for Assistant Directors to confirm the service-specific measures that they wish to use in their Scorecards. CMT will then review the proposed measures, which will also be made available to the Chair of Overview and Scrutiny Board and Scrutiny Panel chairs for comment.
11. Intelligent targets will then be agreed, with a presumption that 'floor targets' will be set for all measures in order to clearly flag where performance is unacceptable.

12. The final draft Scorecards and proposed monitoring arrangements for these will then be taken to Executive on 12 August for approval. Scorecards will be piloted 'in the round' at Leadership Management Team in October, with the process refined thereafter and rolled out across the organisation by the end of March 2015.

Proposed format and monitoring arrangements

13. The proposed format for Scorecards is set out below (please note that this is only meant to illustrate structure and is not intended to be legible – the data contained within the example is purely illustrative). The performance of each measure within the Scorecard will be RAG rated, and these aggregated to provide a RAG assessment of performance for each perspective, and for the Scorecard overall.

Outcome		To protect and safeguard vulnerable adults and children and, wherever possible, seek to enable a safe environment that reduces dependency on services.								
Service grouping		Adult Social Care								
Owner		Assistant Director of Social Care								
Period		Quarter 1 2014/15								
Overall scorecard performance		Green								
Customer		Green			Business				Amber	
Ref	Measure	Perf.	Period	Trend	Ref	Measure	Perf.	Period	Trend	
C01	Service User Satisfaction (ASCOP)	92%	YE13/14	↑	B01	Admissions to Residential Care (ASCOP)	58	Q114/15	↓	
C02	People Report Services Made Them Feel Safe (ASCOP)	94%	YE13/14	↑	B02	Delayed transfers of care (ASCOP)	XX	XX	XX	
C03	At Home 91 Days After Reablement (ASCOP)	95%	Q114/15	↔	B03	Number of reablement packages	XX	XX	XX	
C04	Personal budget take-up	72%	Q114/15	↔	B04	Safeguarding activity / outcomes	XX	XX	XX	
C05	Reviews completed	99%	Q114/15	↔						
C06	Complaints and outcome	99%	Q114/15	↑						
Finance		Amber			People				Green	
Ref	Measure	Perf.	Period	Trend	Ref	Measure	Perf.	Period	Trend	
F01	Section 256 Agreement Spend	XX	XX	XX	P01	Ratio of qualified to unqualified staff	XX	XX	XX	
F02	Actual Bad Debt against Provision	XX	XX	XX	P02	Caseload size	XX	XX	XX	
F03	Actual versus projected demand	XX	XX	XX	P03	Appraisals completed	100%	Q413/14	↑	
F04	Unit cost of service delivery	XX	XX	XX	P04	Sickness statistics	XX	XX	XX	
F05	Achievement of efficiencies	100%	Q114/15	↑	P05	Completion of mandatory training	XX	XX	XX	
F06	Income v Projected Income	XX	XX	XX						
Key issues and risks										
Free text										

14. The proposed monitoring arrangements for Scorecards are set out below.

Within 3 weeks of Quarter End	Within 4 weeks of Quarter End		Next OSB	Next Executive	Post-Executive
Production of 9x Scorecards and summary report	LMT consideration of Scorecards	Agreement of revisions to Scorecards and improvement actions	OSB review of Scorecards and LMT response Consideration of impact on Scrutiny work programme	Executive consideration of Scorecards and LMT and OSB responses	Review and revise process and implement improvements

15. It is proposed to introduce these arrangements after September 2014. After this point the quarterly consolidated performance report, previously presented to Overview and Scrutiny Board will be replaced by a quarterly Balanced Scorecard report, which will comprise a summary of overall performance and agreed actions to address any issues identified, together with the nine single page Scorecards for consideration.

IMPLICATIONS FOR THE COUNCIL AND LOCAL COMMUNITIES

16. **Financial implications** – targets and actions contained within Balanced Scorecards will be always be consistent with those set out in the Mayor's Budget and associated strategic plans, such as the Change Programme 2014-2017 document.

17. **Legal implications** – the approach outlined is consistent with and will promote the achievement of the Council's legal duty to achieve Best Value.

18. **Ward Implications** – none at this stage, though it is anticipated that due to planned ICT enhancements, it will be possible to introduce a geographic breakdown of performance on certain measures into Balanced Scorecards in due course.

RECOMMENDATIONS

19. That Overview and Scrutiny Board notes the planned introduction of the Balanced Scorecard model within the Council, and provides feedback as outlined in the report to ensure the successful implementation of the model.

REASONS

20. To enhance monitoring of performance and risk at both a member and senior officer level to enable the effective delivery of the Council's targeted strategic outcomes.

BACKGROUND PAPERS

None

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