Meeting	Date
Efficiency & Performance Sub Committee	24 March 2020
Subject Corporate Performance Framework Update	
Report of Kate Smith, Head of Corporate Strategy & Performance	
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Summary

This paper provides and update on the design and build of the Corporate Performance Framework (CPF), feedback on the first step towards integrating Business Plans and budget estimates at committees and examples of how the CPF data is expressed in Business Plans.

Recommendations

Efficiency & Performance Sub Committee is recommended to:

    i.   Note the approach and update and provide any further steer on the presentation of departmental Business Plans and budgets.

Main Report

Background

1. In November 2019, Efficiency & Performance Sub Committee received a report which presented a draft set of corporate performance indicators that departments were being asked to select from and test through the presentation of their Business Plans at committees. Members expressed concern that the list of indicators was too long and also requested a worked example of a Business Plan be presented at this meeting.

2. In addition, members attending the Resource Allocation Sub Committee Away Days in 2019 were keen to have information on relative corporate performance available to support decision-making as part of the Fundamental Review.

Corporate Performance Framework (CPF) design update

3. An officer steering group – Corporate Performance Board – has been set up to guide the onwards development of the CPF so that it meets both members' and officers' needs. The first deliverable is having existing performance data ready to support the Resource Allocation Sub Committee Away Day in July 2020.

4. The following design principles have been identified:

    I.   The **administrative burden must not outweigh the benefits** of this work
        • the first version of the CPF will be built using data that already exists;

- so that a useful version is ready for Resource Allocation Sub Committee Away Day in July, initially we will upload the latest performance data using spreadsheets;
- Beyond that deadline we will automate where possible so that fewer manual updates are needed in future.

II. Data in the performance system needs to be **useful**, which means the corporate indicators selected should be:
- flexible, i.e. able to be adjusted, retired and new ones added as corporate ambitions and priorities change;
- outcome focussed, where possible;
- high quality: data needs to be verified, GDPR compliant;
- standardised, as far as possible, in order to make meaningful comparisons;
- aligned to targets, to enable trajectories to be developed and progress reported, using a simple RAG rating; and
- joined up: linked (ultimately) to risk information, strategy content, workstreams within business plans and financial data, so we can develop comprehensive outcome chains.

III. The Corporate Performance Framework needs to be **easy to use,** so it should:
- over time, provide a single source of performance data for the organisation for those KPIs that fall within its scope;
- allow the same data to be viewed in a multitude of different ways;
- produce visually attractive reports and data dashboards quickly, simply and intuitively;
- be as automated as possible to reduce resource requirements, time-lags and potential error; and
- be easy to flex to respond to externally and internally driven changes, such as the governance arrangements and operating model.

How the Corporate Performance Framework (CPF) will work

5. The CPF is being built in Microsoft Power BI, part of the Microsoft Office suite of products. This software allows us to meet the design principles and to upload huge amounts of public information for 'click of a button' benchmarking. It uses tagging and selection from drop-down menus to present information at different levels and through different lenses.

6. The software also makes it very simple to promote a small number of performance indicators relating to topical issues and strategic priorities to a corporate dashboard from the larger pool of indicators that are used by departments and their Senior Leadership Teams to track and drive performance against all twelve corporate plan outcomes.

7. In future iterations of the CPF, operational KPIs can also be added where service managers feel this is helpful. In exactly the same way, those that are off-track, stagnant or performing unexpectedly well can be raised into the relevant departmental dashboard for scrutiny, and demoted again at an appropriate time.

This will support committees and officers in taking a risk management approach to performance improvement across all levels of activity.

8. Part of the role of the Corporate Strategy & Performance Team is to ensure that all strategies contain at least some of the indicators used in the CPF in their delivery plans, as is the case with the Transport Strategy for example, and that linked strategies, such as Responsible Business, Social Mobility and Climate Action contain common indicators and targets consistent with our commitments. The aim is for fewer and further reaching strategies to be needed and delivery plans to reflect multiple strategies. This is already happening in the Department of Community & Children's Services where interventions are being adapted to target a range of issues, from social isolation to physical and mental health and digital exclusion.

9. By identifying common indicators for use across departments, the CPF will also let us drive performance in common processes and issues, such as Freedom of Information request response times and sickness absence.

10. Over time, if common indicators or at least 'equivalences' for overarching themes, such as education or culture, can be identified, agreed and populated with data (which will require funding and changes in practice in many cases), we could use the CPF to scrutinise performance of the 'businesses we are in'.

11. In these ways, the CPF will be able to be used to provide performance information for scrutiny at committee, corporate, departmental and, in the future, strategic, service and operational levels. The figure below illustrates how the strategic, service and operational levels might be populated and who might be interrogating them:

What information will be included?

15-20 high-level measures and targets providing top-level assurance

c. 150 outcome measures and targets reporting, monitoring and assessing organisational-wide performance in delivering service objectives
• Corporate strategy & business plan objectives
• Corporate health and focus
• Benchmarking data, enabling contextualisation

c. 500 input and output measures, used to plan & run activity across the organisation
• Operationally focussed
• Managed locally

Who cares?

• Members (P&R, RASC, EPSC)
• Town Clerk & CEx, Summit
• Core stakeholders, including the City, HMG

• Members (EPSC, RASC, Service Committees)
• Performance Board, CSPT, Chamberlain's
• Chief Officers, service directors, providers
• Media
• Stakeholders

• Service Directors and managers
• Frontline staff
• Internal support services

Strategic

Service

Operational

Fig 1: Levels of performance indicators and their intended audiences

12. For this year, however, the stage we will have reached it that the performance element of the Business Plans can be populated, manually, from the CPF. Note though that data alone won't tell the full story, so there will still need to be a Business Plan that provides oversight of the priorities, shape and future ambition of the business unit.

Corporate Performance Framework (CPF) build update

13. The City of London Corporation already publishes an enormous volume of data, either directly or indirectly through government departments and inspectors, much of which is benchmarked regionally and nationally and some of which is benchmarked internationally. To demonstrate how the CPF will look and work, a prototype has been built, based on a dozen or so of these publicly available datasets. This has undergone both technical and usability testing to work through all the data fields and linkages that are needed as well as ensuring the data is easy to understand and interpret.

14. The Corporate Strategy & Performance Team is also working with all departments, in some cases across themes such as education, to identify both outcome and operational performance indicators for inclusion in the CPF. As stated in the design principles, the initial focus is on accessing and uploading data we already collect. In order to provide information in time to support discussions at Resource Allocation Sub Committee Away Day, data will be cleaned and uploaded using spreadsheets. Most of the spreadsheets already exist but a minority will have to be compiled, as data is not always stored in this way (e.g. for visitor numbers at some of our attractions, we will need to pull information from till receipts). This action in itself will improve the quality of the data held in the organisation.

15. This top-down process builds upon the scoping exercise last year, which focussed on best practice and aspirational indicators linked to the 12 Corporate Plan outcomes. Unfortunately, the gap between these and what is actually being collected by departments and agreed via strategies was too wide and meant that the picture presented did not reflect the organisation particularly well. By taking a more pragmatic approach, starting with what we have and then identifying areas for refinement or improvement, a much more useful product should emerge. Nevertheless, it looks like the scoping exercise was about right in estimating around 160 indicators would be needed to cover the key areas the City Corporation is attempting to impact upon.

16. Based on current findings, it is estimated that 90% of the indicators within the CPF will be agreed with departments by the end of June 2020 and around 75% of these will contain data. It is anticipated that there will be gaps in data for a number of reasons: the indicator is broad (e.g. demographics of visitors to our heritage attractions) and there are known gaps in data collection which departments do not have the budget to collect; data has not been released to the CSPT by departments and/or data is of poor quality and requires significant additional work before it is entered.

Next steps for the Corporate Performance Framework (CPF)

17. Once this first step has been completed and a functioning CPF exists, work on automating the updating of the data held will begin. Automation in this sense means linking Power Bi directly to source business applications (eg. Mosaic, MiCAD). This avoids the need for manual extraction and manipulation of data in ad hoc spreadsheets or databases, enables the secure, timely access to data and performance information and will allow departments to access their data in a significantly improved way.

18. There are several barriers to achieving this level of automation however, and hence to realising the associated benefits. These include resistance to using new reporting tools and a wariness around automation and the fact that the City Corporation has many third party hosted applications, making it difficult to access our data in the manner of our choosing and requiring some development work. Chief Officers have been asked to provide leadership to overcome these barriers, the need to upskill officers has been flagged and we are completing appropriate privacy impact assessments and testing connections as we go to provide operational assurances. It should be noted that the data would never be 100% automated, however, as the indicators will continually evolve to redirect effort within a continually changing environment.

19. In July, work will also start on building the CPF 'downwards' to include the lower-level operational performance indicators that will enable us to investigate performance from multiple perspectives and in greater depth, use analysis to draw intelligence and insights and predict future performance based on differing scenarios.

20. This progression will signal a move from performance monitoring to performance management. It is hoped that Efficiency & Performance Sub Committee and Audit & Risk Management Committee, or whatever they become in the governance review, will play a part in ensuring appropriate action is taken in response to the reports generated.

Update on the integration of Business Plans and budgets

21. Between December 2019 and February 2020, high-level summary departmental Business Plans were presented to committees alongside budget estimates for the first time. All were approved and, despite a move to a revised format which included more narrative regarding priorities and a dashboard of indicators, in most cases continued to attract little debate. The exceptions were Finance Committee and Establishment Committee, which requested better presentation of financial information and a better read across between the financial and business planning content.

22. During February and March 2020, business planners and finance business partners were also asked for their feedback on the process of delivering the Business Plans and budget estimates so that it can be improved in future cycles. There were four elements to the work they did:

i. Production of integrated budget estimate and Business Plan Committee reports;
    ii. Production of financial tables setting out the proposed allocation of relevant departmental estimated budgets;
    iii. Production of high-level summary Business Plans in a new format which included corporate indicators selected from the draft set; and
    iv. Completion of Business Planning Workbooks. These are not presented to Members but used by officers to provide more detail on workstreams that underpin departmental goals and corporate strategies so that both deep dives and a corporate view can be taken.

23. Feedback shows that integrating the budget and business plan reports was a very cumbersome task due to the complicated mapping of budget lines to Committees' remits. The presentation of financial tables is currently constrained by the existing finance system and, with the budget estimates delayed until the end of October, there was insufficient time to improve the presentation manually. The high-level summary Business Plans were challenging for many departments as it wasn't always clear what level of information was needed and the information required wasn't always available. The workbooks suited some but were less helpful to others and in some cases were completed in addition to existing documents or not completed at all. In some teams, instructions given weren't cascaded. Suggestions offered covered better briefing, reformatting the cover reports and financial information, streamlining / merging the high-level summary Business Plan and Workbook and aiming for more automation.

24. The high-level summary Business Plans worked example, approved for use by this sub-committee in July 2019 and given to business planners as guidance, and three worked examples, that were presented to committees over the winter, are shown at **appendices 1, 2, 3 and 4**. Paper copies of these can be supplied and will be brought to the meeting for discussion.

Next steps for the integration of Business Plans and budgets

25. Between April and June, Town Clerk's and Chamberlain's will work together to improve the process of business planning and budget-setting and the presentation of information so that instructions are ready to be cascaded as soon as budget estimates are provided in July. Chamberlain's are also hoping to bring capital bids forward to Resource allocation Sub Committee in July to complete the picture. We will aim for a second time to bring the combined information to service committees during the autumn.

Conclusion

26. The CPF has been designed to provide performance information for scrutiny at committee, corporate, strategic, departmental, service and operational levels and to adapt to changes to the operating model and governance structures. By July, we are aiming to have most of the corporate indicators agreed and populated with data and to have improved the process and presentation of Business Plans and budget estimates so that service committees can review performance and debate the proposals put forward, during the autumn committee cycle.

Appendices

1.   **The high-level summary Business Plan worked example**
2.   **The Department of Community & Children's Services high-level summary Business Plan**
3.   **The Town Clerk's Cultural Services high-level summary Business Plan**
4.   **The Department of Built Environment high-level summary Business Plan**

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