

Report to Finance and Performance Management Cabinet Committee



Report reference: **FPM-014-2018/19**
Date of meeting: **13 Sept 2018**

**Epping Forest
District Council**

Portfolio: Leader of the Council

Subject: Corporate Plan 2018-2023 – Benefits Maps, Performance Indicator Set and Targets

Responsible Officer: David Bailey (01992 564105).

Democratic Services: Rebecca Perrin (01992 564532).

Recommendations/Decisions Required:

- (1) That, following consultation and in consultation with the Head of Transformation, the Corporate Plan benefits maps and performance indicator set, which supersede the previous Key Performance Indicators, be agreed; and**
- (2) That, following consultation with Management Board and Portfolio Holders, the proposed targets and tolerance thresholds for the performance indicator set be agreed.**

Executive Summary:

The new Corporate Plan runs from 2018/19 to 2022/23 and lays out the journey the Council will take to transform the organisation to be 'Ready for the future'. This plan links the key external drivers influencing Council services, with a set of corporate aims and objectives, grouped under three corporate ambitions.

The success of the new Corporate Plan will be assessed through the achievement of a set of benefits, focussed on what the Council achieves for customers. These benefits in turn are evidenced through a set of performance indicators, with each indicator having a target and red and/or amber tolerance thresholds. A Corporate Specification for each year details how the Corporate Plan is being delivered through operational objectives, with these in turn linked to annual business plans and projects and programmes from the Transformation Programme.

Reasons for Proposed Decisions:

The Council has ambitious plans for the future and a clear corporate plan is essential. The Corporate Plan sets out a clear and cohesive view from strategic drivers, through aims and objectives, to benefits which measure real improvements for customers. This plan will enable the Council to focus on what is most important to our stakeholders – what 'good' looks like. The Corporate Plan includes a set of benefits maps which show how the success of the plan will be measured, and collectively indicate how well the Council is delivering the benefits to our customers. These arrangements demonstrate how the Council secures the management of change and continuous improvement, having regard for economy, efficiency and effectiveness. A set of performance indicators and benefits measures is agreed each year, with targets.

The Corporate Plan 2018-2023 was adopted by Council in December 2017. It was agreed that the four Select Committees – Communities, Governance, Neighbourhoods and Resources – be consulted on the draft benefits maps and performance indicator set. This consultation ensures that the benefits maps have both the style and the content which the Select Committees find most useful in undertaking their scrutiny of Council performance. Final benefits maps and performance indicator set profiles will be agreed by the Finance and Performance Management Cabinet Committee, in consultation with the Head of Transformation.

Other Options for Action:

The Committee could, in consultation with the Head of Transformation, agree that specific components of the proposed performance indicator set, targets and/or benefits maps be further reviewed, amended or removed, or new components be considered and included (Report to Cabinet, 7 December 2017).

The Committee could ask for specific components of the Corporate Plan be further reviewed, amended or removed, or new components be considered and included, as authorised by the Leader of the Council in consultation with the Chief Executive (Report to Council, 21 December 2017).

Report:

The Corporate Plan – Context, Aims and Objectives

1. The Corporate Plan is the Council's highest level strategic document. It sets the strategic direction and priorities for the organisation for the lifetime of the plan, and provides a framework to demonstrate how the work of the Council fits together at a strategic level.

2. The new Corporate Plan runs from financial year 2018/19 to 2022/23 and was adopted by full Council on 21 December 2017. This plan links the key external drivers influencing Council services, with a set of corporate aims and objectives, grouped under three corporate ambitions. The Corporate Plan is the cornerstone of the Council's performance management framework, called its Benefits Management Strategy.

3. The Council's external drivers have been identified by Cabinet Members and the Council's Management Board and Leadership Team, for the next five years. They have been further refined through consultation and linked with a set of three interdependent corporate ambitions:

- Stronger Communities;
- Stronger Place; and
- Stronger Council.

4. Each ambition has a set of corporate aims, which are in turn detailed by one or more corporate objective, developed with the input of Cabinet Members and Officers. This work was undertaken via a series of workshops in March, April and May 2017. Further consultation on the draft Corporate Plan was undertaken over the summer 2017 and feedback invited from:

- Customers;
- Businesses;
- Partners;
- Staff and managers;
- Local Councils via the Local Councils' Liaison Committee (LCLC);

- District Councillors, through Select Committees for Communities, Governance, Neighbourhoods and Resources, as well as the Overview and Scrutiny Committee; and
- Finance and Performance Management Cabinet Committee.

5. For the purposes of the Corporate Plan, 'customers' means people that:

- Live (residents);
- Work or do business;
- Learn (students);
- Visit (tourist economy); and
- Play (leisure activities) in the district.

6. The Corporate Plan including an overview of the district, our vision, purpose, values, and a set of corporate aims and objectives. The content presented in this report is by necessity more technical than when presented in the public Corporate Plan. The most significant advance in the new Corporate Plan is its focus on our customers and the measurement of success as the impact that the delivery of the plan has for them.

7. The corporate ambitions, aims and objectives are central elements of the new Corporate Plan and as such the new Plan has been developed around them in response to our external drivers and our vision, purpose and values. The new plan is a forward looking and organised document.

8. Our vision: A great place where people enjoy living, working, learning and leisure.

9. Our purpose: Working together to serve our community.

10. Our values: Trust, One Team, Performance, Innovation and Customer.

11. The summary of the Corporate Plan – known as the 'plan on a page' can be found in Appendix 1.

Benefits Realisation

12. The Corporate Plan can be viewed as a set of benefits maps – one map for each of the corporate aims. The content of these maps is by necessity more technical than is presented in the public document.

13. An explanation of these benefits maps is provided in this section of the report. Constructing the benefits maps is a complex and detailed task and significant feedback was received through consultations on the draft maps.

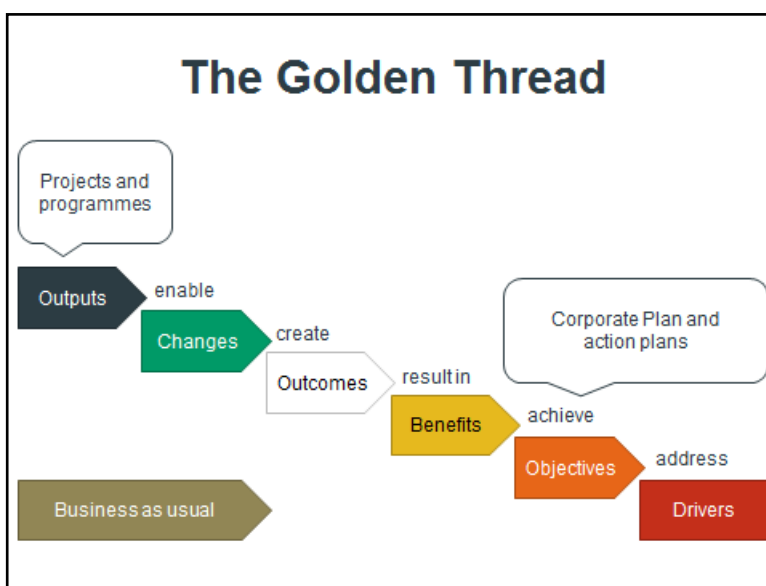
14. All benefits from individual corporate objectives, connect back to four key benefits, which are as follows (please note new reference numbers):

- K1 Improved customer value – recognising what customers' value about our services and placing them as the heart of everything we do;
- K2 Increased efficiency – focussing on our speed of delivery and getting things right first time;
- K3 Increased agility – reducing red tape, simplifying how we work through joined up services; and
- K4 Increased savings and income – delivery of resource savings and income generation, to keep Council Tax low.

15. In this context, a benefit is defined as: the measurable improvement resulting from an outcome perceived as an advantage by a stakeholder, which contributes towards one or more organisational objectives. All benefits must be defined in SMART terms – Specific, Measurable, Achievable, Relevant and Time-bound. It is possible that the Corporate Plan will have some negative impacts for some stakeholders as well as improvements. Where a negative effect of a change can be foreseen, then this is known as a dis-benefit.

16. The achievement of the new Corporate Plan will be monitored and assessed through the realisation of the set of interconnected benefits or benefits maps, focussed on what the Council achieves for customers. The evidence that these benefits have been realised comes through the combination of a set of performance indicators (PIs) replacing the previous set of Key Performance Indicators (KPIs).

17. Going forward, the delivery of the Corporate Specification will be monitored and reported alongside the information previously contained by the Transformation Programme Full Highlight Report and the benefits and performance indicator set. This will be presented as benefits maps, showing the interconnections between the delivery of projects, through benefits and performance indicators, to the objectives and drivers from the Corporate Plan. A diagram showing the relationship between these elements is given below.



Above: 'The Golden Thread' linking project outputs through benefits to achieve objectives.

18. Appendix 4 contains the benefits maps and performance indicator set shown in the middle three columns, headed 'Benefits realisation' (highlighted in purple). These benefits maps show the linkages between the three interrelated parts:

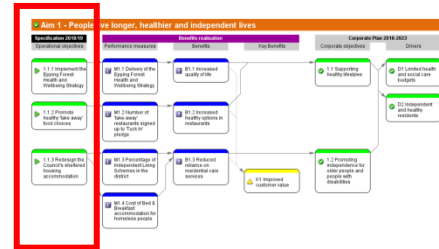
- The Corporate Plan drivers, aims and objectives for 2018-2023 (right-hand side);
- The benefits realisation framework of performance indicators and benefits (centre); and
- The Corporate Specification for 2018-19 (left-hand side).

19. Please note that when the benefits maps are created, best practice is to start from the right-hand side and work towards the left, i.e. start with the needs of our customers or the end in mind, and work back to the solutions on the left-hand side. When the organisation delivers

services, it starts on the left-hand side and works over to the right, i.e. the delivery goes from left to right. In this way the benefits maps shown ‘cause and effect’ relationships.

Format of Performance Reports

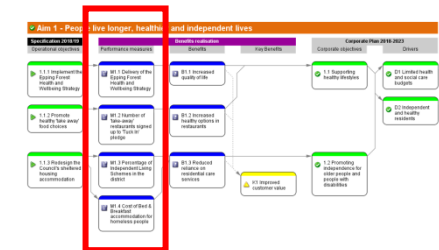
20. Working from the left hand side of the benefits maps (see example), the first column contains the Annual Specification – formally the Key Action Plan – as a set of objectives covering both Businesses As Usual (BAU) and business transformation (projects and programmes).



The business transformation elements are also covered by exception in the Transformation Programme Highlight Report.

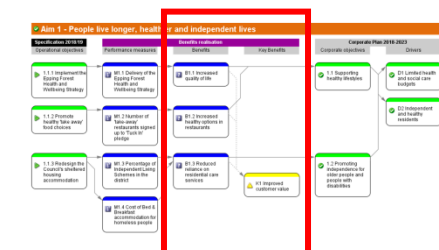
These reports describe the progress made in delivering services (BAU) and improving services (business transformation).

21. The next column of the benefits maps covers the measurement of performance through a set of Performance Indicators (PIs) – formally known as Key Performance Indicators or KPIs. The previous set of KPIs largely measured the performance of Business As Usual (BAU) activities and not improvements brought about by business transformation.



Many of the previous indicators have their origins in the National Key Indicator Set and Comprehensive Spending Review framework, implemented by the UK Government in 2007. This was a means to reflect national priority outcomes in the work of local authorities, replacing previous frameworks like Best Value Performance Indicators and Performance Assessment Framework indicators.

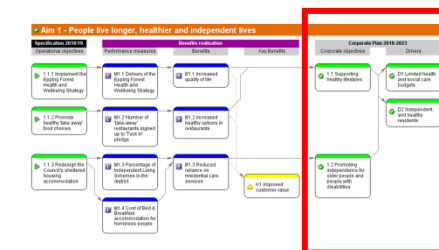
22. The Council's previous performance measurement framework often did not measure the impact on our customers – referred to as the realisation of benefits. These sit at the centre of the benefits maps.



On the benefit maps for the new Corporate Plan, a new set of performance indicators have been designed. These allow the Council to measure directly or indirectly the realisation of benefits for our customers.

A benefit may have one or more performance indicator. Where more than one indicator exists, the proportion in which the indicators are combined to demonstrate the benefit is weighted as a percentage, with the sum of these weightings totalling 100%. Similarly, an individual indicator may contribute to the realisation of one or more benefits.

23. The right hand side of the benefits maps shows the corporate aims and objectives and the environmental factors which drive them. In the delivery of the previous Corporate Plan the Council did not assess its performance against the delivery of Corporate Aims and Objectives. The establishment of benefits maps in the new Corporate Plan establishes a mechanism with which to ask and answer the



strategic question – ‘how well is the Council is doing in the delivery of its five-year Corporate Plan?’

Corporate Benefits Maps and Indicator Set

24. The adoption of the new Corporate Plan necessitated a revision of corporate Performance Indicators (PIs). The Head of Transformation has undertaken consultation with the Select Committees for Communities, Governance, Neighbourhoods and Resources, concluding with the Overview and Scrutiny Committee – on the proposed benefits maps and the performance indicator set. A summary of feedback from the Select Committees is given in Appendix 2. Responses to this feedback will be included throughout the implementation of the benefits maps and performance indicator set. Feedback from officers was also received during this consultation process, and a summary can be found in Appendix 3. Commentary was received from the Finance and Performance Management Committee (FMPCC) on 21 June 2018, as well as a request to discuss the indicator set at the Joint Management Board and Cabinet Meeting on 28 August 2018, before the final set return to the FPMCC for agreement on 13 September 2018.

25. These consultations showed that the structure and strategic approach of the new Corporate Plan were welcomed by all stakeholders, alongside an endorsement of the consultation itself. Beyond this, a number of detailed comments on specific performance indicators were received.

26. The proposed performance indicator profiles are available to view in Appendix 5 to this report. Each profile includes the definition for the indicator and details of its data source, reporting cycle and ownership. These profiles have been validated by the Owners with support from the Transformation Team, and were agreed by Management Board on 6 June 2018 with further amendments agreed on 18 July 2018.

27. A small number of the previous KPIs have been included within the benefits maps and performance indicator set, and therefore will continue to be reported. Other previous KPIs may continue to be collected as Management Information (MI), to assist in the management of services, but will no longer be reported. The majority of performance indicators within the set are newly defined for use by the Council and for some there will need to be a baseline data gathering exercise undertaken in 2018-19 before targets can be set for the remainder of the Corporate Plan period.

28. In addition, each performance indicator has been identified as either ‘Corporate (C)’ or ‘Partnership (P)’, to show whether there are factors outside of the Council’s control which impact on the indicator. Benefits Realisation Confidence Assessments will be completed between the Owners and the Transformation Team to assess the level of confidence in the logic, evidence and causality for each measure.

29. The Committee, in consultation with the Head of Transformation, is asked to agree the proposed Corporate Plan benefits maps in Appendix 4 and the performance indicator set contained therein, which supersede the previous set of Key Performance Indicators. The detailed profiles for the performance indicator set are available to view in Appendix 5 to this report.

Performance Indicator Targets and Thresholds

30. A set of 46 performance indicators (PIs) for the Corporate Plan was adopted for 2018/19 by Management Board on 6 June 2018 with amendments agreed on 18 July 2018.

These supersede the previous set of Key Performance Indicators (KPIs).

31. Where appropriate, each individual performance indicator has a target for the Corporate Plan period. This will be profiled across the five years of the plan, and could be a flat line, cumulative, ramp-up or tail-off in shape. In addition, where appropriate each individual performance indicator has an amber and/or red threshold tolerance. Between the target and the amber tolerance, performance would be reported as Amber and/or Red, beyond these thresholds, performance would be reported as Red.






32. The Committee, in consultation with the Head of Transformation, is asked to agree the proposed targets and amber and/or red threshold tolerances (where applicable) for the performance indicator set contained in Appendix 5.

Performance Reporting

33. Clearly it is possible to report separately on each aspect of performance within the benefits maps. However, it is proposed to report the performance holistically, replacing the existing performance reports with a single integrated report – giving a single view of the performance of the Council against the Corporate Plan. This single view shows the interconnections between the various elements of the benefit maps, and should enable officers and Members to focus on cause and effect relationships.

34. It is proposed to present information using the benefits maps – colour coded using the Red-Amber-Green traffic light status indicators – often abbreviated to RAG – to highlight exceptions that may require attention. This will give Members and officers a quick visual tool to focus on areas where performance may be below target, and where remedial actions or further scrutiny may be required. By following the connections left-to-right on the benefit maps – between actions / projects, performance indicators, benefits, objectives and drivers – the maps also show the likely cause (to the left) or effect / impact (to the right) of any underperformance.

35. The key to the icons used on the benefits maps is as follows:

	Green	Indicates an element that is on target or has been completed
	Green	Indicates an action that is in progress or is assigned
	Amber	Indicates: <ul style="list-style-type: none"> ▪ Performance Indicator (or Risk) that is neither red nor green; or ▪ An Action that is unassigned, i.e. it doesn't have an owner
	Red	Indicates: <ul style="list-style-type: none"> ▪ A Performance Indicator below target, or ▪ An overdue Action based on the deadline date, or ▪ A Risk with a high rating
	Blue	Indicates that there is data missing and Pentana Performance is unable to make a calculation for that Performance Indicator, therefore it will not show one of the other traffic light icons

36. The Select Committees have requested that detailed information be given for each item on the benefits maps rather than by exception, i.e. those with Amber or Red statuses.

37. The progress of performance is reviewed by Management Board, Transformation Programme Board, the Finance and Performance Management Cabinet Committee and Cabinet at the conclusion of each quarter. Service directors review performance with the relevant portfolio holder(s) on an ongoing basis throughout the year. Select Committees are

each responsible for the scrutiny of quarterly performance within their areas of responsibility.

Concluding Comments and Next Steps

38. The benefits maps contain 29 benefit measures, composed of 46 performance indicators. Further work has been undertaken over July and August 2018 to complete the benefits profiles for the Corporate Plan. This work included establishing ownership for each of the benefits measures.

39. Resources are constrained and it is useful therefore to be able to focus benefits realisation activity on those benefits judged to be most significant. The intention is to assess the relative priority of each corporate driver, objective and benefit, through workshops with Leadership Team, to be agreed by Management Board. In the future this work will support the prioritisation of investment decisions and change projects. It will also enable remedial action plans for any benefits measure where the forecast is not on target, to be prioritised in line with the Corporate Plan.

40. With such a fundamental change to the way the Council measures its success, it is inevitable that a small number of performance indicator definitions or targets, will upon collection need to be reviewed and modified. Any amendments to performance indicators will be agreed by the Finance and Performance Management Cabinet Committee in consultation with the Head of Transformation.

Resource Implications:

The design and production of the new Corporate Plan have been met from within the existing resources of the Transformation Team. Publication of the new Corporate Plan will be through an electronic format only, available via the Council's website. Resource requirements for actions to achieve specific objectives or benefits within the plan will be identified by the responsible service director and reflected in the respective budget.

Legal and Governance Implications:

There are no legal or governance implications arising from the recommendations of this report. Relevant implications arising from actions to achieve specific objectives or benefits will be identified by the responsible service director.

Safer, Cleaner and Greener Implications:

There are no implications arising from the recommendations of this report in respect of the Council's commitment to the Climate Local Agreement, the corporate Safer, Cleaner and Greener initiative, or any crime and disorder issues with the district. Relevant implications arising from actions to achieve specific objectives or benefits will be identified by the responsible service director.

Consultation Undertaken:

Management Board, Leadership Team and Cabinet Members were involved in developing the draft Corporate Plan 2018-2023. The content of this draft – including drivers, objectives and benefits – were the subject of consultation with customers, businesses, partners and staff. The views of Councillors were also sought through the Communities, Governance, Neighbourhoods and Resources Select Committees as well as the Overview and Scrutiny Committee. The views of the Cabinet were gained through a report to the Finance and Performance Management Cabinet Committee. The views of local councils were gained through a report to the Local Councils' Liaison Committee (LCLC). Full Council adopted the new Corporate Plan on 21 December 2017. Further consultation was undertaken at the Joint Cabinet and Management Board meeting on 28 August 2018.

Background Papers:

- Corporate Plan 2015-2020 Report to Cabinet (C0-071-2014/15) on 9 March 2015 and Report to Council on 21 April 2015.
- Transformation Programme – Scope and Methodology Report to Cabinet (C-073-2015/16) on 03 March 2016.
- Benefits Management Strategy Report to Transformation Programme Board on 20 July 2016.
- Corporate Plan 2018-2023 Report to the Governance Select Committee on 4 July 2017.
- Corporate Plan 2018-2023 Report to the Resources Select Committee on 13 July 2017.
- Corporate Plan 2018-2023 Report to the Overview and Scrutiny Committee on 18 July 2017.
- Corporate Plan 2018-2023 Report to the Finance and Performance Management Cabinet Committee (FPM-007-2017/18) on 20 July 2017.
- Corporate Plan 2018-2023 Report to the Communities Select Committee on 5 September 2017.
- Draft Corporate Plan 2018-2023 Report to the Local Councils' Liaison Committee on 11 September 2017.
- Corporate Plan 2018-2023 Report to Cabinet (C-032-2017/18) on 7 December 2017.
- Corporate Plan 2018-2023 Report to Council (Item 12) on 21 December 2017.
- Corporate Plan 2018-2023 – Progress Reporting and Performance Indicator Set:
 - Neighbourhoods Select Committee on 20 March 2018
 - Resources Select Committee on 14 March 2018
 - Governance Select Committee on 27 March 2018
 - Communities Select Committee on 18 March 2018
 - Overview and Scrutiny Committee on 17 April 2018.
- Corporate Plan 2018-2023 – Benefits Maps, Performance Indicator Set, Targets and Progress Reporting (FPM-002-2018/19) report to Finance and Performance Management Cabinet Committee on 21 June 2018.

Risk Management:

There are no risk management issues arising from the recommendations of this report. Relevant issues arising from actions to achieve specific objectives or benefits will be identified by the responsible service director during business planning and communicated to the Corporate Risk Management Group.

Equality Analysis

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality impact assessment is provided as an Appendix to the report.