

New Balanced Scorecard – Q4 2016 Performance

Purpose of paper	To present to the Council with the first version of the newly developed balanced scorecard report, covering the Q4 2016 performance period.
Status	Public
Action	For discussion and noting
Corporate Strategy 2016-19	<p>Objective 1: To improve our performance across all our functions so that we are highly effective as a regulator.</p> <p>Objective 2: To improve our management of resources so that we become a more efficient regulator.</p> <p>Objective 3: To be transparent about our performance so that the public, patients, professionals and our partners can have confidence in our approach.</p>
Business Plan 2017	Project Management Office (PMO) reporting and statistical modelling maturity workstream
Decision Trail	<p>Work was carried out throughout 2016 to propose a new format for the balanced scorecard and redevelop /refine GDC performance indicators.</p> <p>At the meetings of FPC and the Council in September and October 2016 respectively, EMT's proposed revised balanced scorecard model was approved.</p> <p>At the EMT board meeting in December 2016, a final list of performance indicators were reviewed and approved for inclusion in the first version of the report in the new format, covering Q4 2016 performance.</p> <p>The new Q4 scorecard was reviewed by EMT at its board meeting on the 6th of February, and the board agreed action plan points to be added to the report in advance of FPC review.</p> <p>The FPC reviewed the report on the 16th of February. The Committee approved the report to be shared with the Council at the March meeting.</p>

Next Stage	Pending Council approval for the new version of the report to become the standard performance report, arrangements will be made for the scheduling of the development and presentation of the reports on an ongoing basis.
Recommendations	<p>The Council are asked to:</p> <ul style="list-style-type: none"> • Approve the adoption of the new format of the report as its standard quarterly performance report for future meetings • Approve the retirement of the old version of the report with immediate effect • Note the contents of the Q4 balanced scorecard report
Authorship of paper and further information	<p>Gurvinder Soomal Executive Director, Registration and Corporate Resources Gsoomal@gdc-uk.org 020 7167 6333</p> <p>Tim Wright Head of PMO and Reporting TWright@gdc-uk.org 020 7167 6243</p> <p>Matt Dunphy Project and Reporting Manager MDunphy@gdc-uk.org 020 7167 6136</p>
Appendices	<p>Annex 1 – Q4 Balanced Scorecard in the new format</p> <p>Annex 2 – Approved performance indicators reference list</p> <p>Annex 3 – Q4 balanced scorecard in the old format</p>

1. Executive summary

- 1.1. This paper introduces the first version of the newly developed balanced scorecard format, which is presented as annex 1 and reviews the Q4 2017 performance period.
- 1.2. The newly proposed balanced scorecard framework was approved at the meetings of the Finance & Performance Committee (FPC) and Council in September and October 2016 respectively. Both boards noted that the Executive Management Team (EMT) planned to carry out a final review of all proposed measures in order to refine and improve them.
- 1.3. At the board meeting in December, EMT approved a finalised version of the new set of performance indicators to be included within the report, following final development and taking into account feedback from the FPC and Council from their September and October meetings.
- 1.4. Sections three and four of this paper introduce the Q4 report in the new format. The report includes actual data for all indicators where datasets are currently available to enable reporting. Several indicators are currently marked as placeholders, pending the development of datasets from Q1 onwards for newly developed indicators.
- 1.5. An executive summary is included at section 1.1 of the Q4 report and provides narrative on actual performance headlines from the period. EMT reviewed this version of the report at its February board meeting and noted several planned actions which are included within the 'action plan' section of 1.1. FPC subsequently reviewed this version of the report and approved the Executive's proposal to present it to the Council at the March meeting.
- 1.6. In addition to the main balanced scorecard report, a 'deep dive' activity of one directorate per meeting is planned to be presented to FPC to provide further focused insight into an area of current performance on a rotational basis. Further information about this approach is provided at section six of this paper.
- 1.7. A version of the old format of the scorecard covering Q4 performance is also included as annex 3 to close-out 2016 reporting in the old format and to provide continuity of former arrangements until Council are content with the new format. It is proposed that the old format is retired with immediate effect, and that the new format is formally adopted as the new standard for future performance reporting to the Council.

2. Introduction and background

- 2.1. A project was carried out during 2016 to redevelop the existing version of the balanced scorecard report which is reported to EMT and the Council.
- 2.2. The newly proposed balanced scorecard framework was approved at the meetings of FPC and Council in September and October 2016 respectively. Both boards noted that the EMT planned to carry out a final review of all proposed measures in order to refine and improve them.
- 2.3. A progress report on final work on the implementation of the new balanced scorecard was provided to FPC in November 2016, in advance of preparing the first version of the report in Q1 2017 to cover Q4 2017 performance.

3. The new balanced scorecard – final development work since October Council

- 3.1. At the board meeting in December, EMT reviewed and approved a revised set of GDC performance indicators. In the majority of instances, the indicators were the same as those reviewed in principle by FPC and the Council in September/October. Refinements were made to some indicators and some newly developed indicators were introduced in response to Council feedback.
- 3.2. Performance indicators that were selected included a mixture of types of measure (inputs/outputs/outcome indicators – of which some are within the GDC's direct managerial control whereas others are not but have a significant bearing on the management of the organisation).

- 3.3. The inclusion of a selection of types of indicator is designed to give a broad visibility of the information needed by senior management to oversee the performance of the organisation. The finalised list is presented for reference at annex two, which provides supplementary information on each performance indicator.
- 3.4. The revised version of the report includes a dashboard to draw EMT and Council attention to those key performance indicators that EMT recognise to be of the highest priority at the time of publishing the report. In December, EMT selected to the set of performance indicators to be escalated to the go-live version of the report.
- 3.5. An action has also been carried out to review the full set of performance measures and identify which could be described as 'departmental' (where the actual performance of the indicator is regarded as directly within the control of the department/directorate that oversees it) and which could be described as 'organisational' (where the indicator sits with a directorate recognised to be most suitable to lead the reporting of it, but actual performance is recognised to be contributed to across several/all areas of the organisation). Classification information has been provided in each relevant performance indicator in the report, and within the reference list at annex two.

4. **The new balanced scorecard – first version of the report to review Q4 performance**

- 4.1. Annex one presents the first version of the balanced scorecard in the newly agreed format and reporting on the newly agreed performance indicators. An executive summary at slide 1.1 sets out the main matters for board level attention which mostly relate to the escalated key performance indicators (which are on slide 1.2) selected by EMT at the December meeting.
- 4.2. The confirmed structure of the report is set out as follows:
 - *Executive summary – slide 1.1*
 - *'Key performance indicators' dashboard – slide 1.2*
 - *Links with the wider performance management framework – slide 1.3*
 - *Rationale to explain the inclusion of 'key performance indicators' – slide 1.4*
 - *Annex A – Intended for further review largely by exception and within 'deep dive' reviews to be carried out by FPC (see further information below at section 6), including all performance indicators for each of the following directorates:*
 - *Finance & Corporate Services*
 - *Fitness to Practise*
 - *HR & Governance*
 - *Registration & Operational Excellence*
 - *Strategy*
- 4.3. For this version of the report, sections are presented for each of the existing areas of the GDC within the current organisational structure. This format will be updated in April 2017 to reflect the new structure to be in place by that point.
- 4.4. Data for all indicators relates to the Q4 2016 performance period. Where data is available for the previous performance period (Q3) this is also presented in the report, with arrows to indicate whether performance is improving (upward arrow), declining (downward arrow) or being maintained at exactly the same level (forward facing arrow).
- 4.5. Actual data has been presented for all performance indicators where it is currently available. For a number of newly developed indicators, data is not yet available but with collection activity planned to enable reporting in future report versions.
- 4.6. At the Council discussion in October, members flagged the need for several Strategy indicators to be reconsidered to provide more insight into outcomes rather than outputs. As

such, there a number of placeholders in this version of the report where updated indicators have been developed, but new datasets are being collected to enable active reporting.

4.7. It is envisaged by EMT that several of the newly proposed Communications measures will be escalated to the key performance indicators dashboard in due course when data is available to enable reporting on these.

5. EMT engagement with the balanced scorecard

5.1. As illustrated in the process flow diagrams below, the revised process for the balanced scorecard framework involves some additional steps for EMT include some actions that the board plans to take as a result of reviewing the report.

Fig 1 – Previous process

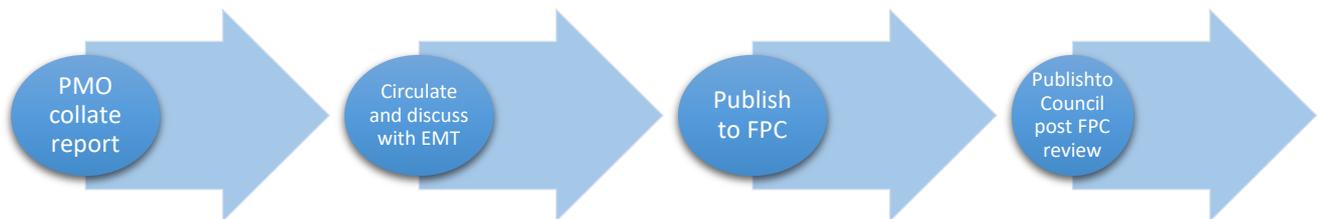
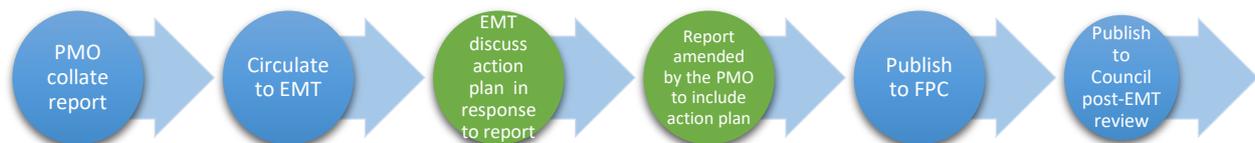


Fig 2 – New process



5.2. EMT’s planned actions in relation to the Q4 report are included within the executive summary at the ‘action plan’ section of the Q4 report at section 1.1. These were identified during discussion at the board meeting on the 6th of February, and the report has subsequently been updated to include them in the version circulated to FPC and Council.

5.3. EMT will continue to review the new balanced scorecard at each of its board meetings and adopt the new report into its standard ways of working. It is recognised that EMT is in the early stages of using the report and that processes for engaging with the report and using it to drive actions will become more mature as time goes by (in the same way that the use of the corporate risk registers have developed since they were initially implemented).

5.4. Since the initial list of performance indicators were signed off, EMT have requested the development of three new ones that will be reported on from the Q1 2017 report onwards and will be added to an updated version of the reference list at annex 2. They are:

- Case repatriation - The volume of cases transferred to the NHS for handling in line with the recognised annual target for case repatriation
- Non-serious data breaches - The volume of non-serious data breaches (recognised to amount to an ‘amber’ incident classification) recorded across the GDC
- Organisational efficiency - The actual realisation of planned organisational efficiencies in comparison to budgeted levels

6. FPC review of the new balanced scorecard

- 6.1. The FPC reviewed the Q4 version of the report at its meeting in February. The Committee approved the report for review by the Council at its meeting in March. The Committee requested that some target levels and red/amber/green threshold levels be reviewed in the areas of staff sickness and staff turnover and this will be addressed by the executive in time for the production of the Q1 report to be presented to the FPC meeting in May.
- 6.2. At the meeting of FPC in November 2016, the Committee requested that EMT give consideration to the development of a deep dive approach to supplement the overall review of the balanced scorecard. This is intended to provide FPC with a focussed review of the performance of one specific part of the GDC, with the area of focus to be rotated for each FPC meeting. This would be presented as a supplement to the main balanced scorecard report.
- 6.3. The intention of the deep dive approach would be to enable FPC and the Council to maintain the principle of exception reporting and remaining focused on the matters most in need of Council level attention (promoted by the key performance indicators dashboard in the new report), but balanced proportionately with taking the opportunity to review each area of the business in detail to provide further scrutiny on an occasional basis. This approach is along similar lines to that taken by the Audit and Risk Committee (ARC) in their ongoing monitoring of the GDC risk registers.
- 6.4. At the meeting of FPC in February, the executive discussed proposals for this approach with the Committee. At each meeting, a supplementary report focusing on one functional directorate in the organisation will be presented, with commentary provided to; provide contextual information and link current performance status to any longer term factors/trends, comment on any under/over performance in evidence, assess any risks and opportunities, describe the continuous activity planned to improve performance in the future, and; comment on the tracking and realisation of benefits from previous continuous improvement initiatives in the directorate.
- 6.5. EMT believe that the proposed focus on a directorate is an appropriate way to start the deep dive approach. Over time and as engagement with the new balanced scorecard becomes more advanced, it may be appropriate to introduce a thematic approach towards deep dives looking into matters on a particular topic across several directorates. This will be considered and discussed further with FPC in due course.
- 6.6. The first deep dive report will be presented to FPC in May 2017.

7. Retirement of the old balanced scorecard format

- 7.1. A version of the balanced scorecard in the old format has been prepared to cover the Q4 performance reporting period, to close-out 2016 in the format of all previous quarterly reports and to ensure that continuity reporting is available to Council until they are content with the new version of the report.
- 7.2. Pending Council approval of the new version of the report, it is proposed that the old format of the report is retired with immediate effect and that the old format of the report and to move to the new format as standard thereafter.

8. Risks and considerations

Communications

- Internal communications activity will be carried out to engage with directorate reporting leads and senior management about the contents and narrative to be included within the balanced scorecard.
- Balanced scorecard reports will be shared with the wider internal staff group via the intranet to enable them to be informed of progress on meeting key corporate performance indicators.

<ul style="list-style-type: none"> Balanced scorecard reports will be reviewed by the Council, and therefore will be published to the public on the internet, enabling transparency of the GDCs performance for patients, partners and professionals.
<p>Equality and Diversity</p> <ul style="list-style-type: none"> No specific measures have been identified as necessary in relation to equality and diversity for this proposal.
<p>Legal</p> <ul style="list-style-type: none"> No legal implications have been identified as part of this proposal.
<p>Policy</p> <ul style="list-style-type: none"> This proposal does not directly affect the GDCs policy making, although the availability of improved internal performance reporting may help to provide datasets to support corporate policy initiatives.
<p>Resources</p> <ul style="list-style-type: none"> The resourcing of the collation of the balanced scorecard will be carried out by directorate reporting leads, senior management, and the PMO team. Resourcing of this proposal can take place within existing budgeted resources.
<p>National</p> <ul style="list-style-type: none"> The proposed approach is not recognised to have different impacts on the four countries in the UK.
<p>Risks on registers</p> <ul style="list-style-type: none"> Information from the balanced scorecard will be cross referred with the operational and strategic risk registers, and balanced scorecard indicator data will be used to provide information on the success of risk mitigation activities.

9. Recommendations

9.1. The Council are asked to:

- Approve** the adoption of the new format of the report as its standard quarterly performance report for future meetings
- Approve** the retirement of the old version of the report with immediate effect
- Note** the contents of the Q4 balanced scorecard report

10. Internal Consultation

Department	Date and consultee name
All data contributing departments	Established data leads from each department - January 2017
EMT Board	The Chief Executive & Registrar and all Executive Directors

11. Appendices

11.1. Annex 1 – Q4 Balanced Scorecard in the new format

11.2. Annex 2 – Approved performance indicators reference list

11.3. Annex 3 – Q4 balanced scorecard in the old format