

## Board Paper

### Date

21 May 2024

### Title

Measuring Success and Performance

### Report Author

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### Responsible Executive Director

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### Paper for decision

Open paper

## Issue

1. In February, the Board agreed to develop a balanced scorecard (BSC) to provide a snapshot indication of our performance, as is usual for public bodies as one part of the broader approach to measuring performance and success. This paper proposes a BSC for agreement, which will form part of the broader evaluative framework.

## Recommendation

2. The Board is recommended to:
  - a. Agree the proposed Key Performance Questions and Indicators (Annex A) and BSC (Annex B), as per the mechanisms and frequency of reporting previously agreed.
  - b. Note that this sits within a broader Key Performance Indicator and Management Information Tree (Annex C) to be further developed as part of management information monitored by ExCo and escalated by exception to Board.

## Background

3. We committed to develop our performance framework as part of our strategic review.

4. The Board considered previous papers at its meetings on:
  - a. 28 February 2024: Measuring our success – a review of our performance framework.
  - b. 24 April 2024: Strategy review – what success looks like
5. In February, the Board agreed to a performance framework which includes:
  - a. Gathering case studies of our impact and influence
  - b. An annual commissioned evaluation of our impact – alternating between a broad perception survey, and a structured evaluation of our work in one area – which we would publish.
  - c. To reinforce the practice of defining intent and outcomes for our work, and regularly reviewing whether these have been achieved.
  - d. To develop the BSC of indicators of our success.
6. The BSC therefore sits within this wider information on our performance. It is recognised that, on its own, it is high level and offers only partial insight. It does not seek to simplify the complex picture of our influence, but instead highlight some things that are indicative of it.
7. The BSC will be aggregated with future broader evaluative evidence as part of the wider performance framework through which we intend to measure our success. The strength and value of our work is anticipated to be demonstrated more through the complementary qualitative reporting described.
8. The Board agreed that it would consider all relevant information on our performance and impact each six months, to take stock and seek to draw conclusions. In addition the BSC would be reported (as part of the wider performance framework) as follows:

<b>Report Format</b>	<b>Frequency</b>	<b>Audience</b>
Balanced Scorecard	Quarterly	ExCo, Board, Defra / DAERA
Annual Report and Accounts	Yearly	Public
Interim Performance Update	Yearly	Public

9. The Board judged that the indicators proposed in past papers were too many, with varying strength of relationship to our strategic objectives and mission. The Board steered us to narrow the selection to those with most relevance and to focus on outcomes and impact where possible.
10. A measurable quantitative data set is a usual feature of performance frameworks. But we know this is challenging for many ‘non-delivery’ organisations and for oversight bodies, like us. We must balance effort and resources against the value of information produced, to ensure it is proportionate and value for money. This leads us to conclude that a good balance is achieved by having sufficient indicators defined to report on transparently, while using further information to manage the organisation well internally.


11. To help refine the performance indicators, and inform our broader strategy, the Board considered ‘what success looks like’ in April. It considered a list of outcomes that may arise if we are successful in achieving our objectives. The Board’s steers then supported us to identify key performance questions for our BSC, and to narrow the indicators for our BSC in line with the Board’s steer.

## Analysis

12. The BSC has been reduced to focus on the inputs and outputs that we judge are most relevant and indicative of the OEP’s performance. This reflects good practice principles of:
  - a. alignment with strategic objectives
  - b. identification of key performance questions
  - c. evaluation of existing data, ownership and efforts required to record and analyse information.
  - d. Consideration of associated risks of indicators that could:
    - i. be mis-interpreted outside the wider performance framework context.
    - ii. be a perverse incentive.
  - e. selection of strategic lead and supporting indicators suitable for the level of reporting
13. We had previously proposed that the BSC was structured around our delivery, influence, organisational capability/growth, and efficiency as well as how we are perceived by others. With further consideration of what success looks like, we now propose to add a sixth dimension: ‘environmental improvement’, to align our performance indicators with the overarching external outcome we contribute to.
14. This has allowed us to refine and formulate key performance questions for each of these six dimensions, which we aim to answer through a range of appropriate quantitative and qualitative means and the indicators that flow from them:
  - a. Environmental Improvement – Is the natural environment improving?
  - b. Delivery – Have we delivered our plans?
  - c. Influence – Has our delivery influenced change as we intended?
  - d. Capability – Are we developing our capabilities?
  - e. Efficiency – Are we efficient in using our resources?
  - f. Valued by others – How do others value our contribution?
15. Potential indicators have been appraised using the following shortlisting matrix, which considers importance and availability:

16.	Importance	Relevant to strategic objectives	<b>Aspire list.</b>  Not available but important. These	<b>Primary KPIs</b>  Available / exists and important. These should be reported externally
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		indicators need to be developed.	<b>Management Information</b> Available / exists with relative importance to underpin strategic objectives reported internally
Not relevant to strategic objectives		<b>Omit</b> Trivial and unimportant. Discard with reasoning	<b>Caution</b> Easy to obtain but trivial. Information may be in abundance but not help judge performance.
		Hard / impossible to collect currently	Easy to collect currently

Availability 

17. This has resulted in the proposed Key Performance Questions and Indicators at Annex A and the full BSC at Annex B. Some indicators which we aspire to capture will be piloted to ensure the data is available, quantifiable, reliable and relevant to the performance question posed.
18. An accompanying Draft Key Performance Indicator and Management Information Tree can be found at Annex C. This matches the shortlisted Key Performance Indicators (KPIs) to other information we have gathered to date. The Board and ExCo will consider this broader suite of management information to judge operational performance. We will add to this, as we develop to understand what is most useful and to include relevant recommendations from audit and assurance mapping.
19. We propose to report metrics in Northern Ireland (NI) and England separately wherever it is relevant to do so. Often the same metrics can be applied in each jurisdiction.

### Northern Ireland

20. The framework would apply equally to England and Northern Ireland, with separate reporting of indicators where relevant.

### Finance and Resource

21. Almost all the data proposed to be collated within the performance report exists and can be captured within existing information systems and applications.
22. Resources are required to develop an approach to assessing the extent to which our recommendations are adopted, whether we achieve our strategic intent, and to make precise and establish the data to support the metrics proposed. Resources would then be required to produce the following proposed reports:

- a. The performance and delivery report summarising these components and gathering case studies for ExCo and the Board to consider.
  - b. The external mid-year performance update
23. 20 days' time is included in the BS&P business plan to develop this approach, including for consultation, and then to operate in the first year. This is around 0.15 FTE.
24. Once established, it is not envisaged that this time would be material. Data owners would be responsible for providing updates in line with the reporting frequency. The collection and consolidation of this information is estimated to be an additional requirement of two days a quarter compared to not doing so. This was recognised in ExCo's and the Board's prior decisions.

## Impact Assessments

### Risk Assessment

25. There is a risk that our existing framework is insufficiently mature to secure the confidence of the public, government, and others, and that the NAO and others will judge our approach to be inconsistent with expectations of public sector reporting and good practice. The BSC as part of the broader approach to how we measure success for development this year helps mitigate this risk.
26. There is a risk that limited further development of our framework will not meet the legitimate expectations of stakeholders, given the commitments made at the time of our Strategy and each of our Corporate Plans.
27. There is a risk that the indicators, and active reporting of them could be used disproportionately and interpreted without other qualitative aggregation, overfocusing on volume of outputs rather than the value, significance and long-term outcomes sought in line with our strategic intent. This will be mitigated by how we present the indicators and complementary information and analysis.
28. There is a risk that the indicators, and active reporting of them, distorts organisational priorities and creates unintended consequences internally. This is mitigated through the Executive Committee's and the Board's influence on the indicators' interpretation and use, including that all key recommendations are reserved to the Board.
29. There is a risk that the burden of collection and presentation is disproportionate to the value of the products. This is to be monitored on an ongoing basis, with adjustments made as required. The proposals do incur resource, which must be sustained once begun.

### Equality Analysis

30. No material equalities impacts have been identified.

### Environmental Analysis

31. The BSC, as part of the broader performance framework, aims to identify ways to assist the OEP to understand extent to which our activities are contributing to our principal objective and our strategy for achieving it.

## Implementation Timescale

32. We are committed to have developed our performance framework by the time of our next strategic review. We intend to develop the BSC for inclusion in our consultation on the draft revised strategy, then the final published strategy.
33. We propose to collect data during 2024/25 to report as per the schedule outlined at paragraph eight , reporting in full in the 2024/25 Annual Report and Accounts (to be published in 2025/26). In preparing our Annual Report for 2023/24, we will consider to what extent we can move toward this end state, based on the testing and pilot data we have collated.

## Communications

34. The BSC will be communicated to all staff internally on agreement, ensuring the intention and limitations are known and understood by all staff and that data owners understand their responsibilities.
35. The BSC will be considered as part of ExCo's dedicated Performance, Delivery and Review Meeting (PDRM) quarterly alongside other management information to consider resourcing, budget, project delivery and risk management. Whilst this may help judge performance and actions, the indicators will not be viewed in isolation for decision making.
36. The Board will receive quarterly updates as part of the CEO's report with extracts reported to Defra, DAERA and through Ministerial review.
37. Our approach will be outlined externally within the communications strategy to support our strategy review, both its consultation and adoption.
38. We will publish the BSC as part of the retrospective Annual Report and Accounts each year, and as a mid-year performance update, as the Board agreed in February.

## External Stakeholders

39. We have considered other performance frameworks and BSCs from other public bodies in our wider research. We have considered feedback from a recent internal audit on our strategy review.
40. We propose to engage with stakeholders within our consultation activities to inform the strategy review. ESS consulted on their performance framework in 2022/23. They report that there was little to no comment on the proposals presented.

Paper to be published	Yes
Publication date (if relevant)	With meeting minutes
If it is proposed not to publish the paper or to not publish in full please outline the reasons why with reference to the exemptions available under the Freedom of Information Act (FOIA) or Environmental Information Regulations (EIR). Please include references to specific paragraphs in your paper	Elements of this paper may be redacted as publication would harm the effective conduct of public affairs, including the Board's ability to receive candid advice and engage in free and frank discussion (s.36)

## Annex List

**Annex A – Key Performance Questions and Indicators**

**Annex B – Balanced Scorecard**

**Annex C – Draft Key Performance Indicator and Management Information Tree**