

Consumer Focus Board

Paper 7.1

Title: Balanced Scorecard Objectives and KPIs 2010-11

Purpose: For Approval

Date of meeting: 08/06/2010

Responsible officer: Philip Cullum

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Attachments: Annex A: Proposed 2010-11 Balanced Scorecard

1 Overview

- 1.1 In March 2010, a review of Consumer Focus's Balanced Scorecard was initiated with the aim of making the performance monitoring tool a more meaningful reflection of the critical success factors that underpin our performance.
- 1.2 This work is part of a series of steps to become much clearer about Consumer Focus's direction and to create strategic alignment between work at the corporate, team and individual levels.
- 1.3 At the 24 March meeting, the Board provided comment on a draft set of objectives developed through a Senior Management Team (SMT) consultation process. The Board generally agreed with the objectives as presented, with minor changes, but emphasised the need to maintain a clear link between the scorecard and the work we set out in the 2010-11 Annual Plan. The work undertaken since that time has focused on making that link clear.
- 1.4 Working across the Consumer Focus family, measures (KPIs) were developed for each of the revised organisational objectives within the context of the Annual Plan. As a result of this process, additional refinements were made to the objectives from the version the Board previously considered.
- 1.5 The objectives and measures proposed to the Board are directly linked to the work set out in the Annual Plan. The revisions reflect the sum of previous SMT and Board discussion regarding our critical success factors in 2010-11.

2 Action for the Board

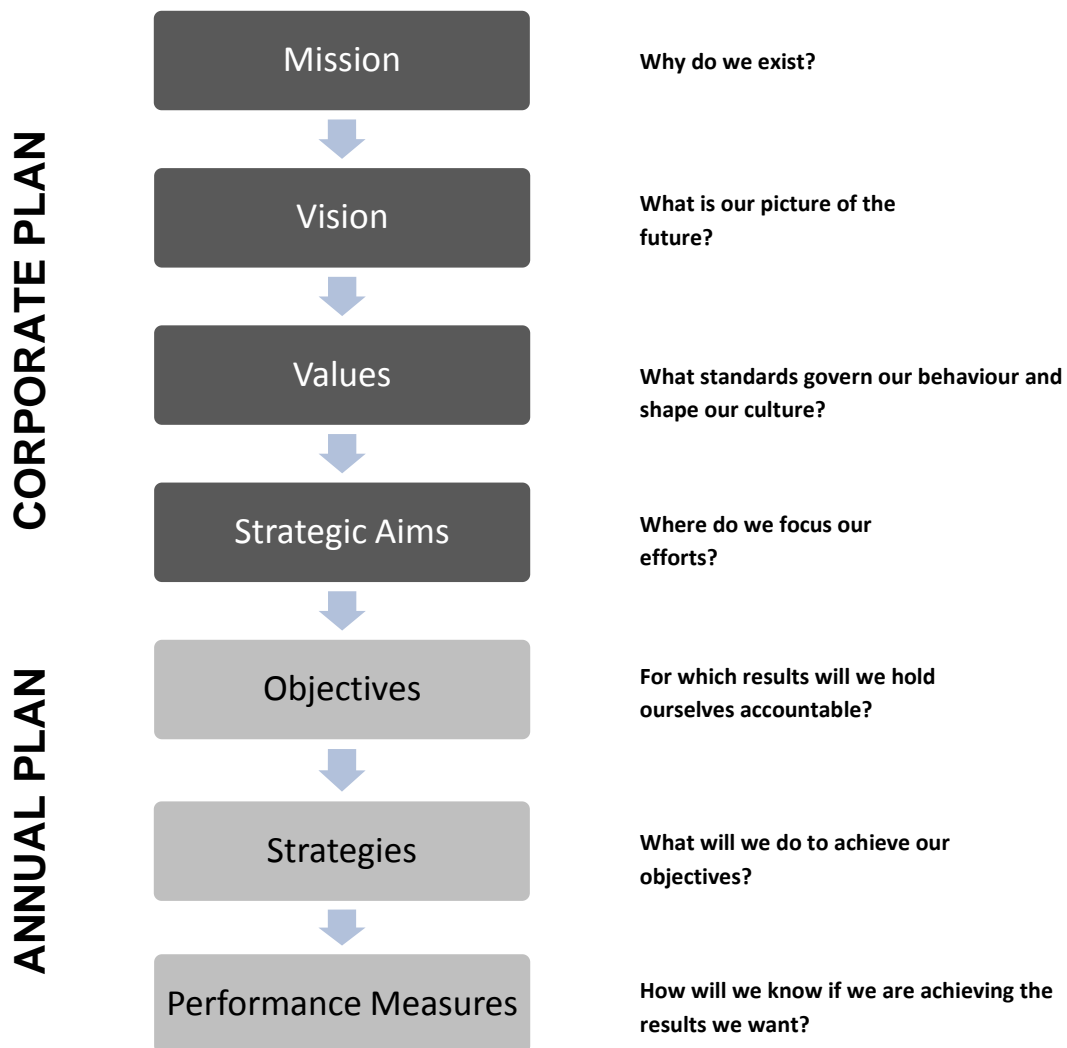
- 2.1 To **approve** the proposed 2010-11 Balanced Scorecard set out in Annex A, which includes a revised set of **corporate objectives** and **KPIs**.

3 The key issues

- 3.1 The corporate objectives for 2010-11 will continue to be framed against the four strategic aims of **value, service, access** and **sustainability**, as defined in our Corporate Plan.
- 3.2 The proposed scorecard outlines the organisational objectives across four newly defined areas – **impact, partnerships, learning** and **value**. This change reflects previous Board discussions of the unique areas where Consumer Focus must excel in order to effectively deliver a fair deal for consumers.
- 3.3 The revised **Balanced Scorecard is directly linked to the Annual Plan**. To achieve this connection, key Annual Plan outcomes and deliverables were mapped against the specific corporate objective which they served to influence on the scorecard. This resulted in the creation of an operational plan which sets out, for each corporate objective, the work we referenced in the Annual Plan along with an indication of what success looks like.
- 3.4 The KPIs on the face of the scorecard are proxy measures only to allow the Board to monitor corporate performance overall. Behind the proxies sits a list of key deliverables and outcomes from the Annual Plan linked to each objectives.
- 3.5 Bringing about change, or delivering impact, often takes longer than the one year period which the Balanced Scorecard measures. Accordingly, a portion of the outcome measures on the scorecard were set up to capture impacts from work initiated in previous years.
- 3.6 The SMT has supported an approach whereby only the key performance drivers are incorporated, while many other day-to-day management requirements will be picked up in the team and personal objectives that follow.
- 3.7 The corporate level objectives will be used as the basis for objective-setting throughout the organisation (the foundation for the new appraisal process) and will be reviewed annually by SMT and the Board.

4 Strategic alignment

- 4.1 The Board requested previously that the Balanced Scorecard be presented for approval within the overall strategic context of the organisation.
- 4.2 The following diagram illustrates the connectivity between the different elements of our corporate strategy. Our mission, vision, values and strategic aims are reflected in our **Corporate Plan**, while objectives, strategies and measures reside in the **Annual Plan** (complemented by a more detailed operational plan). Since the objectives reflect our critical success factors, the **Balanced Scorecard** is the mechanism by which the Board can monitor how effective the Annual Plan is at delivering the corporate vision.



5 Proposal

5.1 The proposed 2010-11 Balanced Scorecard is set out in **Annex A**.

6 Next steps

6.1 The Board will receive the Q1 Balanced Scorecard and performance report at the 12 September meeting.