Council

27 May 2021

Key Performance Indicators

Executive summary

Our current Key Performance Indicators (KPI) were agreed in 2018. Following a review, this paper proposes a new set of KPI's for the Council to adopt and monitor from July 2021.

The Council and the Executive took part in a workshop in April to inform the proposals. A summary of these discussions is included within the paper.

Decision	Council is asked to agree the KPI's it will monitor from July 2021. Council is also asked to agree that KPIs should be reported quarterly.
Previous consideration	The Council had previously identified a need to review the KPIs given the scale of change that has taken place since 2018. The Council took part in a workshop to discuss KPI needs in April 2021.
Next steps	The Executive will present the first population and narrative for the new KPIs at the July Council meeting.
Strategic aims	This paper is relevant to all strategic aims. The proposed KPIs have been aligned under the most relevant strategy aim.
Financial and resource implications	None as a result of this paper.
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Key Performance Indicators

1. Introduction

1.1 Council have identified the need to agree new Key Performance Indicators (KPIs) which better meet the Council's assurance needs. KPIs are a discrete set of 'critical' measures which relate to overall performance of the organisation.

- **K**ey –having too many indicators dilutes the attention needed on the 'key' measures which point to the fundamental health of the HCPC.
- **P**erformance –measures need to be linked to our performance, measurements we have the power to improve against.
- **I**ndicators –information is needed as to whether the performance is above or below expected performance range and why.

1.2 The HCPC will have many more Performance Indicators (PIs) than KPIs. This paper focuses on the measures that are key for Council to consider in the limited time it has, taking into account the assurance the Committees seek on its behalf. The paper has been informed by a workshop held with Council and Executive members on 28 April, these discussions are reflected throughout the paper.

2. Current KPIs

2.1 The Council's KPIs were for the large part agreed in 2018. The exception is FtP KPIs which have recently been updated as part of the FtP Improvement Programme. Before 2018 HCPC did not have KPIs. Each department would submit a standalone report of operational data and narrative. This was an operational rather than strategic approach and to get through this volume of information, Council meetings took place over two days.

2.2 When Council introduced KPIs in 2018 it agreed the following:

- The purpose of KPIs is to assist the Executive and the Council in identifying changes in performance in key or critical areas that might necessitate further investigation or consideration. No one indicator would give a full picture, rather they would act as a flag to prompt a deeper dive.
- It was recognised that (proxy) indicators of quality were desirable but can be far harder to establish than indicators of timeliness and throughput.
- There should be no more than approximately 10-12 KPIs.

2.3 Our current KPIs are as follows:

- FTP
    - o A full suite is included as part of a standing report to Council to provide oversight of the FtP Improvement Programme.

- Registration
  - Median processing time for UK graduates: 10 working days.
  - Median processing time for International applications (European Mutual Recognition): 60 working days.
  - Median processing time for International applications (Non-European Mutual Recognition): 60 working days.
  - Number of upheld appeals against registration decisions.
- Education
  - Rolling 12 month median time to produce visitors reports following a visit: one calendar month.
- HR
  - Employee voluntary turnover: 22% (21.8% London average)
  - Employee sickness absence.
- Finance
  - Performance against budgeted operating expenditure in range of 97.5% to 102.5%.
- IT
  - Availability of HCPC websites (including Register and online portal): 99.5%.

2.4 Additionally, the Council receives an FtP report, Finance report and a supplementary information pack of statistics relating to the Register and approved education programmes, also published online.

Workshop reflections 1 - our current KPIs

- The current KPIs were process focused.
- The current KPIs were not being discussed regularly at Council - an indicator they are not the right KPIs.
- The IT measure was added at a later date and was not conisdered meaningful.
- Current KPIs did not focus on registrants and employees.

3. Benchmarking our KPI approach

3.1 As part of the workshop the Council reviewed the KPI approaches of other regulators. The Council concluded that a concise set of KPIs should be aimed for with no more than 10-15.

Workshop reflections 2 - other approaches

- Organisational approach to KPIs varied greatly on volume and granularity and this could be seen as a reflection of the specific circumstances and performance history of each organisation.

4. Committee assurance

4.1 Committees have an important role in providing assurance to Council within their agreed remits. The HCPC has recently reviewed its Committee Governance structure and the recommendations have been implemented and are embedding well. The following summarises the data the Committees currently receive, or where there is scope for them to consider such data.

4.2   Education and Training Committee (ETC)

ETC has received a twice-yearly extensive report on Registration performance for the last few years. The Committee finds the report useful but agree that it is too dense and requires more analysis of the data. The Executive has agreed that, from June 2021, the Committee will receive a report at each meeting on the performance of the Education and Registration functions; this will include agreed Committee PIs.

The implementation of this report should provide Council with assurance that ETC is regularly receiving detailed performance information from Registration and Education. The minutes from these meetings are presented to Council so any discussions on concern on performance will escalate up, and would also be highlighted by the ETC Chair.

4.3   Audit and Risk Assurance Committee (ARAC)

ARAC receives a standing report at each meeting that provides data on the following

- Quality Assurance activity and results
- Number of data loss incidents
- Compliance with FOI and DPA requirements (and an annual stand-alone report)
- Complaints numbers and response times (and an annual stand-alone report)
- Health and Safety incidents
- Near miss reports
- Fraud, bribery and whistleblowing incidents

4.4   People and Resources Committee (PRC)

The PRC has a remit to seek assurance on behalf of the Council in the following areas:

- HCPC as an employer
- Internal EDI practice
- Organisational culture
- Financial and organisational sustainability
- Budget performance
- Other improvement programmes and performance as requested by Council
- The Committee has an advisory role with regards to
- Investment and accounting policies
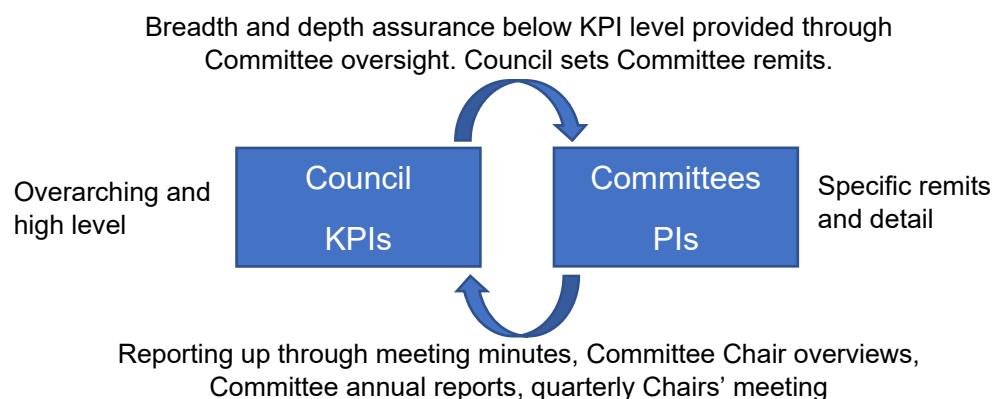- Estates Strategy
- Digital Strategy

PRC is a new Committee and has not yet received regular data. The regular meeting cycle commences from June when the Committee will agree its requirements, following initial intense focus on the budget.

4.5   Remuneration Committee (RemCo)

The Remuneration Committee meets twice a year and does not receive a standing report of data. However, in making the annual recommendation to Council on the pay rise, the Committee receives data on the pay and distribution of employees. If any special leaving agreements are signed the Committee is be notified of them at its next meeting.

Workshop reflections 3 - committee assurance

- If the PI's and KPI's and Committee/Council relationship was working well, Council only needed a high-level oversight.
- PRC should consider montiroing Partner metics, more detailed financial metrics such as reserves levels, employee EDI metrics and data on employee progression and retention.
- ETC should seek quality indicators for education monitoring, rather than purely process based.
- Registration metrics should be demand led, what reasonably registrants expect in terms of service.

Breadth and depth assurance below KPI level provided through Committee oversight. Council sets Committee remits.

Overarching and high level

| Council KPIs | | Committees PIs |

Specific remits and detail

Reporting up through meeting minutes, Committee Chair overviews, Committee annual reports, quarterly Chairs' meeting

5.   Proposed new KPIs - Basis

5.1   Our current KPIs are on the whole aligned with the 2018 PSA standards. The PSA standards have been revised and are now more consolidated, and focus on core regulation. A better way of Council seeking this assurance is the self-assessment report now regularly received. This report was not in place when the KPIs were set in 2018.

5.2   The Council also receives a comprehensive FtP report at each meeting with enhanced metrics. The Executive wishes to keep these metrics in place through the FtP Improvement Programme.

5.3   The Executive does not propose basing new KPIs on the new PSA standards. Instead, we propose KPIs are aligned to our statutory objectives and Strategic aims.

Workshop reflections 4 - setting new KPIs

- Council reflected on a unified 'golden thread' approach of linking strategy, strategic risk, planning and performance. It was agreed that KPI's should be indicators in terms of strategic aims, but do not need to cover everything, don't need to be attributed to every part or each risk.
- Council preferred a small number of KPI's that are strategically placed across the organisation and agreed that there should be around 10-15 KPIs.
- The importance of measuring outcome as opposed to input.
- A need for narrative around achievement trajectory.
- Importance of KPI's being easy to understand, able to raise red flags, provide direction of travel.
- The Importance of the actual reporting mechanism not impeding on the efficiency of the organisation.

6. Proposed new KPIs

6.1 Taking into account Council's feedback and the data reporting capabilities we currently have, the Executive proposes the following KPIs for future monitoring, they have been grouped by Strategy.

Continuously improve and innovate	**1. FtP KPI: % of completed FtP Improvement Projects** What it tells us: FtP KPIs are currently reported within the stand-alone FtP Improvement report. This overarching metric will provide council with a snapshot of progress of the FtP Improvement Programme with the full narrative and detail being within the stand alone report.
	2. Education KPI: Approvals – Percentage meeting service standard (30 days) for issuing visitors reports following completion of QA visit and percentage meeting service standard (3 months) to complete the post QA visit process where conditions are imposed From September 2021 (after we have transitioned to the new education QA model (subject to ETC approval), we propose reporting to Council on the percentage meeting the service standard for completing the full process from receipt of request to final decision made on approval. What it tells us: These measures provide Council with assurance on the timeliness of the Education approval process. More detailed metrics will be reported to ETC.
	3. Customer service KPI: Number of complaints and % upheld What it tells us: This provides insight into potential customer service and performance issues. Narrative will be vital for Council to probe and should include information on corrective action taken.
Be visible, engaged and informed	**4. Registration KPI: Responsiveness of our registration contact centre (calls, emails, letter)** What it tells us: Responsiveness will provide Council with a view of the customer service (timeliness) received by registrants. The breakdown of the register will ensure Council maintains a clear awareness of the size and make up of our registrant population. No other KPIs proposed as ETC has a

	registration remit. We propose Council are provided with the breakdown of the register as part of the supporting data.
Promote high quality professional practice **Develop insight and exert influence**	**5. Professional practice and insight KPI: % of registrants said their practice would change as a result of information gained through a professional liaison learning event** What it tells us: This measure focuses on outcomes which highlight the impact of our engagement. Engagement and media reach dashboard to be provided in info pack.
Build a resilient, healthy, capable and sustainable organisation	**6. Finance KPI: Forecast outturn variance % of budget Target: <2.5%** What it tells us: Indicates the grip and control in place and accuracy of forecasting. Measure will be the full-year forecast variance against the full-year budget moving from YTD.
	7. IT KPI: Availability of core IT systems Target: >99.5% What it tells us: Measure will be based on actual hours of availability per month v total number available. Given the reliance of our core functions on IT systems, this measure will indicate reliability of the IT infrastructure. Additionally, our registrants and stakeholders predominately interact with us via our IT systems, and we have a statutory duty to ensure our online register is consistently available.
	8. IT KPI: Number of know successful IT network breaches Target: zero What it tells us: Data protection breaches will continue to be reported into ARAC. This measure gives an indication of the security of our IT infrastructure.
	9. HR KPI: Voluntary staff turnover Target: <15% What it tells us: This will be based on permanent establishment leavers and not FTCs. This provides an indicator that could point to cultural issues. PRC will consider more detailed HR metrics.
	10. HR KPI: Average number of days lost to sickness Target: TBC What it tells us: Measure will be based on an employee average and exclude long-term sickness. This provides an indicator that could point to cultural issues. PRC will consider more detailed HR metrics.

7.   Future KPI development

7.1   While we are agreeing a new set of KPIs to monitor, we should remain open to adjusting these metrics as our strategy progresses and areas of focus change. The Executive suggests that the KPIs be reviewed for suitability each year, alongside the setting of the annual Corporate Plan.

7.2   We may also change our KPIs as new data sets become available. For example, our capabilities to report against certain data, such as registrant satisfaction is currently limited as we do not regularly collect data in this way and doing so would have an associated cost.

- KPI's should not be regarded as set in stone and should adjust as we progress.
- An area for future consideration was a 'success criteria' approach. Members who had seen this successfully used agreed to share exaples.
- Conceptulising KPI's to reflect the benefits of investment in systems as part of business cases.
- Future proposal for a user experience survey (Registrations) and how it could be utilised in FtP to ensure ongoing feedback from Registrants and service users.

8. Risk

8.1 The proposed KPIs are aligned under the most relevant strategy aim and are relevant to most strategic risks. In particular:

- Strategic risk 1 - *Our performance does not improve to a standard that enables us to achieve all the PSA standards of good regulation. In seeking to meet these standards we lose focus and lose standards in other areas* - is relevant to proposed KPIs 1, 2 & 3.
- Strategic risk 2 - *The HCPC's regulatory expectations are not appropriate or not understood by registrants and other stakeholders* - is relevant to proposed KPI 5.
- Strategic risk 4 - *We do not understand our stakeholder's needs and so are unable to be the regulator they (the wider system) need* - is relevant to proposed KPI 4.
- Strategic risk 5 - *The resources we require to achieve our strategy are not in place or are not sustainable* - is relevant to proposed KPIs 6-10.
- Strategic Risk 6 - *We are unable to demonstrate the value of regulation due to negative experiences of our regulation in practice* - is relevant to proposed KPIs 1-4.

8.2 Strategic risk 3 - *We are unable to harness the benefits of the wealth of data we hold* - does not directly link to the proposed KPIs. However, improving our data and intelligence capabilities is a key strategic aim, and once this progresses the Council will wish to consider a KPI on this.

8.3 More specific risks Council will want to consider in agreeing KPIs could be:

- The risk there are areas of the business that are not getting oversight – the Executive consider that the mapping shown to Council of the breadth of Committee oversight should provide the Council with assurance on this risk.
- The risk Council becomes focused on operational detail at the expense of its strategic remit – Council has given the Executive the steer that it wishes to remain high level and to monitor a small set of strategic KPIs.
- The risk that the reported data is not accurate – The HCPC's internal auditors BDO LLP undertook a review of KPI reporting in 2020 and this provided assurance that the data underpinning KPIs was accurately reported. However, the review did note that many processes were manual and therefore more open to human error.
- The risk that reporting requirements become burdensome due to highly manual processes – the Executive is confident the proposals will not

present additional burden. The new CMS system is also expected to lessen manual performance reporting in FtP.

9.   Decision

- Council is asked to discuss and agree the proposed new KPIs set out in section 6 of this report.

- Council is asked to agree the reporting frequency of the KPIs, the Executive suggests quarterly reporting at the March, July, September and November/December Council meetings.