Joint Scrutiny Committee

Report of Head of Corporate Services – James Carpenter

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Wards affected: ALL

AGENDA ITEM or REPORT NO

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To: Joint Scrutiny Committee

DATE: 16 November 2020

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To: Joint Scrutiny Committee

DATE: 16 November 2020

Development of the Corporate Performance Management Framework

> **Recommendation(s)**
>
> (a) For the Committee to note the Council's proposed approach to developing the Performance Management Framework, the principles that will be included, the reporting cycle and provide their feedback.

Purpose of Report

1. For the Committee to note the Council's proposed approach to developing the Performance Management Framework, the principles that will be included, the reporting cycle and provide their feedback.

Strategic Objectives

2. A new Corporate Plan for the period 2020-2024 was adopted in October 2020 to establish a vision and priorities for the council.

Background

3. The council does not have a corporate performance framework in place currently. Whilst many teams have some form of performance reporting linked to their workplans, this is not integrated into a common framework or linked directly to delivery of the council's corporate plan. Previously the councils have monitored performance through a monthly board report which is widely considered to be no longer fit for purpose. Key concerns were that measures in the report were solely quantitative and not always linked to outcomes in the Corporate Plan. The level of manual handling of data required is not cost effective and leads to delay in reporting. This means that the opportunity to evaluate performance and make early decisions around resources or direction to get performance back on track are lost.

4. It was envisaged during the development of the new Corporate Plan 2020-24 that it would:

    -   Enable plans, projects, policies, strategies and delivery to be tied into a 'golden thread' linking service and team performance to overall council performance.

    -   Align staff objectives setting and appraisal system with the objectives of the Corporate Plan allowing all staff to understand how they as individual contributors help the whole organisation achieve its objectives.

    -   Increase residents' awareness of the work the council is doing and what the council hopes to achieve.

    -   Provide a performance monitoring and reporting framework to improve transparency and accountability.

    Measures were identified at a thematic level in the Corporate Plan 2020-24 and they will be reported on in accordance with the Performance Management Framework for the Council once detailed annual delivery planning has taken place.

5. Now the Corporate Plan 2020-24 has been adopted it presents a good opportunity to implement a Performance Management Framework.

6. Further, the Corporate Plan 2020-24 engagement exercise demonstrated that managing performance featured strongly in the public mind. Many respondents felt that there should be a focus on delivery and requested that they would like to see meaningful measures and have the ability to track and receive progress updates on the Corporate Plan 2020-24. This aligned well with the desire to produce an annual performance report against themes and projects in the Corporate Plan and demonstrated that there was a clear public interest in this. The annual performance report has been built into the Performance Management Framework as a result of this feedback.

The Performance Management Framework Principles

7. Performance management is about the approach and systems implemented to manage and improve performance. It is an inherent part of the Council's culture and is fundamental to the achievement of our priorities set out in the Corporate Plan 2020-24 themes. It also helps us to place our residents at the centre of what we do as they can see how well we are doing and how we intend to improve.

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8. Performance management is about having the information needed to allow us to quickly take action if service delivery or outcomes against the Council's themes as set out in the Corporate Plan 2020-24 are not as expected. This action may be at individual, service or thematic level.

9. It will help us to address questions such as:

   Are we putting the effort into the right things, where most impact can be made?

   Do we know how satisfied residents are with our services?

   Are we confident that our services represent good value for money?

   Do we know the impact that we are having on different parts of our community?

   Should we stop, start or do something different?

10. Everyone has a role in improving performance. It is envisaged that our Performance Management Framework will help to show how individual activities contribute to the strategic themes in the Corporate Plan 2020-24 and in turn, the overall performance of the Council.

11. It is envisaged that the Framework will enable the council to maximise the value in our data and information, by making all of our performance reports publicly available. It is planned that the formal performance reporting arrangements will include an annual and quarterly performance report to Cabinet and Scrutiny summarising the Council's progress towards its Themes. This will ensure the necessary checks and balances are in place around monitoring, evaluation, decision-making and policymaking.

12. From early discussions with councillors and officers during the development of the Corporate Plan 2020-24 it was clear that there are four key principles that should guide development of the new performance management framework, these are:

    Simplicity - Our framework should aim for a relatively small, focussed set of measures with clear lines of accountability for delivery, and straightforward easily accessible reporting.

    Timeliness – There is a desire to move towards where possible, more 'real time' reporting. The ability to achieve this will very much depend upon the measures themselves and data availability.

    Openness and transparency – Our Framework should provide clarity of what we are seeking to achieve and how we publish results to councillors, staff, residents and key stakeholders. Where possible, performance information should be shared openly between people, Information is shared by default, and not suppressed if it may reveal something uncomfortable This allows for proper scrutiny for all groups and transparency and accountability.

    Underpinned by a commitment to a learning culture - Performance management is used to understand what went well, what didn't work as planned, and what can be done better.

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13. The Performance Management Framework will be documented in a short policy document with an audience of our residents, staff, partners and councillors. The aim of this document is to clearly explain the Framework so that councillors, managers, employees, partners and the public can easily understand how the Council manages its own performance.

14. It is proposed that the Performance Management Framework contains sections on the below:

- **Foreword** – It is suggested that this this is written by the Cabinet Member for Corporate Services and sets the scene for what the Framework is trying to achieve and how it links to the strategic themes in the Corporate Plan 2020-24.

- **Purpose of the Framework** – This section will include an outline of what the Framework will do, including to help raise the awareness and understanding of performance management, explain how the various components of performance all fit together and outline who is responsible for what.

- **The cycle and reporting arrangements** - The Framework is predicated on the Plan, Do, Review, Revise cycle. There is a commitment to quarterly and annual performance reporting. This will be outlined clearly in this section.

- **Guiding principles for the Framework development** – as outlined above as well as What performance reports will include and the performance descriptions that will be used at thematic, service and individual level. This is to ensure there is a consistent vocabulary.

- **The Corporate Plan 2020-24** – This section will outline the Corporate Plan 2020-24 and the themes set out in the document.

- **Annual Delivery Planning** – This section will cover a definition of delivery planning against the Corporate Plan 2020-24 and how it will guide service planning.

- **Service Planning** – The Framework will set out what service plans should contain. This includes, actions that contribute to achievement of the Council's Priorities as identified in annual delivery plan, actions that are driven by the need to improve efficiency and effectiveness in service, actions that relate to frontline service or delivery of statutory requirements, whether or not directly related to the Council's priorities and links out to projects under the Corporate Delivery Framework.

- **Corporate Delivery Framework** – The Senior Management Team (SMT) have taken a corporate approach to project management to bring control and discipline to projects. The Corporate Delivery Framework provides a guide for the council by defining roles, responsibilities, procedures and controls with the aim of enhancing successful project delivery. This section will cover how this fits into the wider Performance Management Framework.

- **Employee Performance** – It should be clear to all employees how their work contributes to the Corporate Plan 2020-24 or to their area's service plan. This section will outline how we plan to achieve this. Employee performance will also

allow an opportunity for employees to detail their positive contribution to residents in the form of case studies. These can be selected and reported on in the annual performance report to include real stories of our work and the impact it is having in the districts. This has the added benefit of being a mechanism to highlight exceptional employee performance.
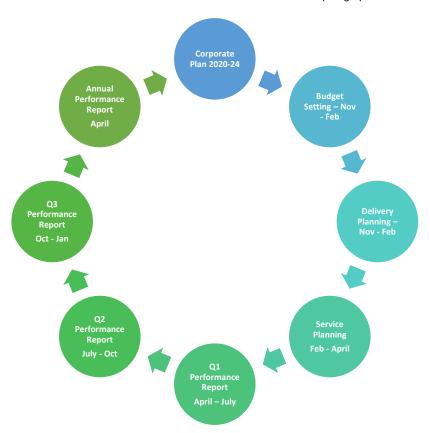
- **Roles and responsibilities** - Effective performance management requires clearly defined and structured accountability. This section will outline the roles of Cabinet Members, Scrutiny Committee, SMT and officers.

15. The Performance Management Framework will be accompanied with a consistent set of "tools" for officers including service planning and individual performance templates.

16. These will all be designed with the same look and feel as the Corporate Plan 2020-24 marketing material to make it clear that there is a consistent link back to the Plan and keep it fresh and alive in the minds of those using the documents.

17. To facilitate quicker and simplified performance reporting, the Performance Management Framework may in the future need to be underpinned by an IT solution. Requirements for this system will be captured as part of phases 2 and 3 of the programme outlined below.

18. The reporting cycle for year one of the Corporate Plan 2020-24 will run concurrently with phases 2 and 3 of the Performance Management Framework programme, so whilst it will be delivered in accordance with the new Performance Management Framework it will not be supported by any new IT solution that may be part of the future phases 2 and 3 of the programme.

19. This will mean that the reporting cycle for year one of the Corporate Plan 2020-24 will require manual input, this will be met by existing resources in the Council's Customer Assurance and Insight and Policy service areas. This also has the benefit of giving us time to refine our needs and learn some lessons prior to agreeing a final specification for any potential IT solution.

Next Steps and The Cycle

20. Teams will continue to define and implement the framework with member input in three phases as laid out below – this will include a review of an IT solution to implement the framework but in the interim current systems and tools will be used.

Phase 1 –Aims to define the framework in draft and agree key principles and define the reporting arrangements. This will culminate in the delivery of the policy document outlining the Performance Management Framework and the "tools" required to support the implementation of the Framework.

Phase 2 – Options appraisal of potential systems to help us implement the new Performance Management Framework to feed into budget setting (if required). (Nov-Feb 21)

Phase 3 – Produce a full technical specification, procurement and implementation of an IT solution to facilitate reporting (Feb 21- onwards)

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21. Below is the cycle for performance reporting and key dates:

- Approval of Corporate Plan 2020-24 annual delivery plans including measures, alongside budget-setting - February 2021

- A Cabinet report will come forward in March 2021 confirming the annual delivery plans against the Corporate Plan 2020-24 and measures agreed for monitoring in year one – this will also include a high-level thematic review of progress against the Corporate Plan 2020-24 since it's adoption in Nov 2020.

- Performance reporting will then be delivered in accordance with the Performance Management Framework and the cycle below

    Note: please refer to the covid-related risk in relation to timescales as set out in paragraph 27 below.

Financial Implications

22. As detailed delivery planning for the Corporate Plan 2020-24 gets underway alongside budget-setting it is likely that existing resources and budget will need to be redirected and refocused towards the outcomes identified. All future budget proposals will be subject to the usual financial, democratic and scrutiny process.

23. Financial implications may arise in the potential future procurement of a supporting IT solution as part of phase 2 and 3 of the programme.

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Legal Implications

24. There are no legal implications arising from this report. Legal implications may arise in respect of individual projects as part of the future delivery of the Corporate Plan 2020-24.

25. Legal implications may arise in the potential future procurement of a supporting IT solution as part of phase 2 and 3 of the programme.

Risks

26. The key risk of not putting in place a corporate performance framework this is that we are not:

    - able to recognise when performance is not where we would want it to be and make early corrections; or to adapt to our changing landscape

    - able to demonstrate and promote results in an open and transparent way

    - able to demonstrate the 'golden thread' of performance, achieve buy in from all staff and recognise and reward good performance

27. Key risks associated with the project are:

    - not being able to procure an IT solution thar meets our preferred specification and therefore not achieving stated objectives of quicker reporting and less manual input required; or due to funding not being made available in the 2021/22 budget.

    - lack of buy in from staff to the framework – a communications plan is being developed to engage staff throughout development of the framework.

    - the timeframe is dependent upon all staff identified as key to the project being available, these may change should key staff need to be redeployed as a consequence of Covid19-related work.

28. The Corporate Plan 2020-24 is a strategic document that will be underpinned by a series of programmes and projects. As the underpinning work progresses, risks will be detailed in individual project risk registers or captured in the corporate risk register and be subject to the usual democratic and scrutiny process.

Other Implications

29. There are no other implications arising from this report.

Conclusion

30. This report provides an update, direction of travel and next steps in development of a corporate performance framework. It outlines principles which we expect to underpin the new framework, and proposed content, and sets out proposals for future reporting of performance against the corporate plan outcomes. The Committee is asked to note the proposed approach and provide feedback.

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Background Papers

- None

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