

REPORT TO: Corporate Policy & Performance Board

DATE: 24th May 2011

REPORTING OFFICER: Strategic Director Policy and Resources

SUBJECT: Review of the Performance Management Framework

WARDS: All

1.0 PURPOSE OF REPORT

To consider the future performance management arrangements for the Council in the light of changing regulatory requirements and reduced resources.

2.0 RECOMMENDATION

That Corporate Policy and Performance Board notes the content of this report and endorses:

- a) The set of principles for a new performance management framework as outlined in section 3.3 and Appendix 1 to the report; and
- b) the next steps outlined in paragraph 3.5.

3.0 SUPPORTING INFORMATION

3.1 Introduction

The purpose of a performance framework is to help the Council to improve the quality of life in Halton by prioritising and delivering improvements in outcomes for the community.

It is therefore imperative that the Council maintains a planning and performance framework that allows the identification and ongoing monitoring of key activities and performance measures.

3.2 The past, the present and the future

The existing performance management framework was developed primarily as a result of Audit Commission findings from the pre-existing Corporate Assessment process and has served the Council well. This 'best practice' was seen and widely promoted as a means of securing step change improvement within the sector.

However, since coming to power the coalition have signalled an intended shift from the central performance management of local Council's toward greater 'local accountability'. As a result a number of changes have been made to the national performance framework and these include the abolition of :

- The Comprehensive Area Assessment
- The Audit Commission
- Local Area Agreement
- The National Indicator Set
- Annual scored ratings for Children's and Adults' Services

In their place the coalition proposes:

- A single (long) list of all the data councils have to provide to central government.
- A Quality of Outcomes Data Set (QODS) for Adult Social Care
- Continued inspections of schools, Children's Services, Adults Services etc.
- That Councils will publish up to date performance data in an easily accessible form to enable local citizens to performance manage their local authority.

The Local Government Group has set out proposals for self regulation in the local government sector ("Taking the Lead"¹) including a library of performance indicator definitions to aid benchmarking and comparison, a local government dashboard (a set of standard key indicators for Councils to publish), 3 yearly peer reviews, and support for Councils in danger of failing. The local government dashboard is at an early stage of development, which will require ongoing development in 2011/12.

Funding for local public services is being significantly reduced but it remains vitally important for the Council to be clear about what it wants to change/improve most. Such aspirations will need to be supported by business plans that identify appropriate activities and interventions to achieve such change, to track progress over time and, where necessary revise plans.

Within this context the Council:

- Has more freedom to design a performance framework based on local priorities.
- Will be expected to set performance targets and transparently report them in a way that is meaningful to a public audience.

¹ Further information concerning the LGG proposals can be found at <http://www.local.gov.uk/lgv2/core/page.do?pagelId=1238982>

- Will still have to publicly report performance based on the National Data set.
- Will have to service the requirements of Ofsted and CQC.
- Will need to compare progress against similar authorities and undergo peer reviews.

Such emerging issues present an opportunity for the Council to develop a more streamlined approach to managing performance information and to focus its more limited resources on its highest priorities.

3.3 Principles for developing a new performance framework

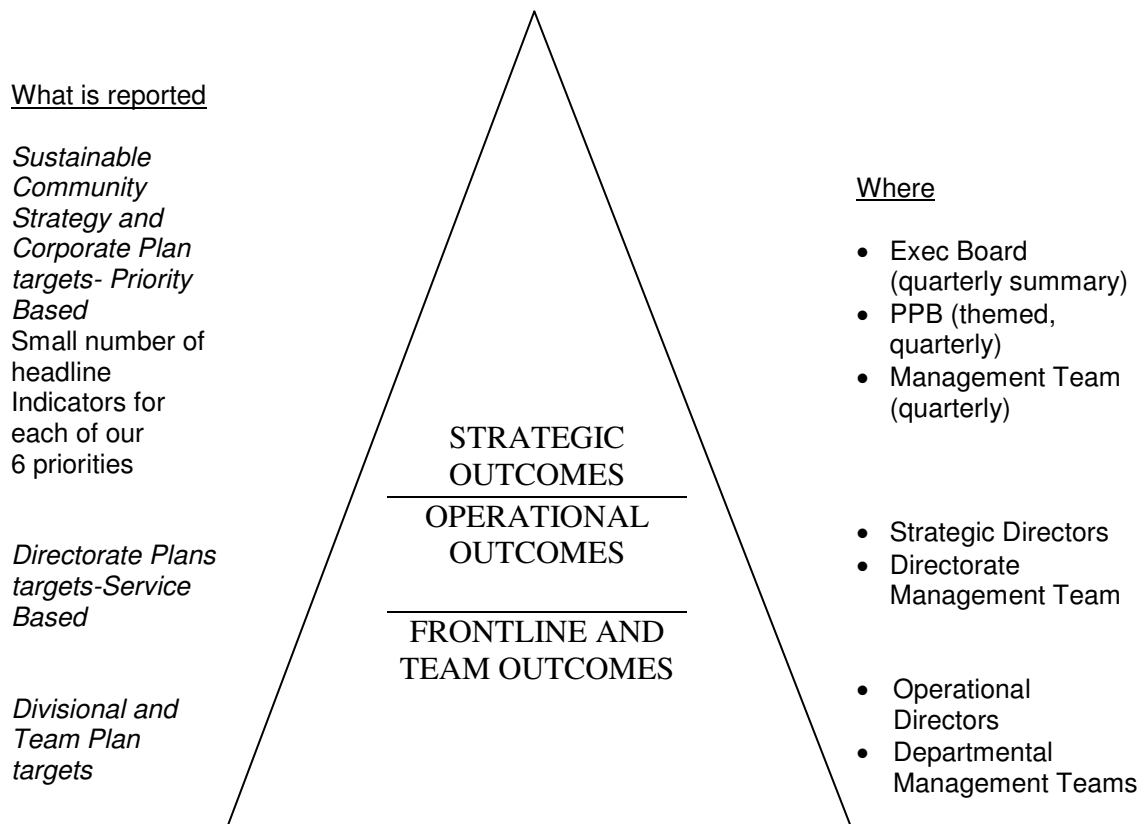
In deciding what a new framework should look like, the Council first needs to decide what it wants a system to do. The following suggested ten principles are outlined in Appendix 2. Key points being to:

- Agree the top priorities for Halton – In light of the current and future financial position, the Council cannot continue to anticipate an improvement in performance across every aspect of service provision.
- Be very focused on what it is the Council wants to change and on developing evidence based plans to bring about that change.
- Factor in value for money in order to, as far as is possible, identify where the highest returns on investment can be made.
- Reduce the volume of performance information being reported routinely so that the most significant issues are not drowned in a sea of information .
- Continue to develop and use qualitative as well as quantitative information to avoid only reporting things that can be counted and to capture the ‘softer’ social dimension of our performance.
- Make best use of members’ and managers’ time to provide greater depth in the examination of key issues and potential areas of cost / productivity improvement.

3.4 Proposals for future framework

The below figure illustrates consideration being given to developing a tiered approach for reporting community outcomes, with examples of what could be reported and to where.

Performance reporting arrangements for Community Outcomes



In developing such an approach:-

1. Strategic priorities will be agreed and will be set out in the Corporate Plan. Progress will be managed through Executive Board, Policy and Performance Boards and Management Team which will receive themed reports where milestones and indicators are grouped by priority rather than by department. As many key outcomes such as life expectancy are only measured annually there will be a need to develop leading or 'proxy' indicators that will provide an indicative direction of travel against such longer-term outcomes. Whilst it is acknowledged that individual departments may not be wholly responsible for the achievement of some outcome measures, departments should be encouraged to determine and accept ownership of contributing factors over which they have control.
2. Directorate Plans showing how services will contribute to corporate plan objectives will be overseen by Policy and Performance Boards and approved by Executive Board and Council. Performance against these plans will be reported to and monitored by Strategic Directors and their Directorate management teams. Major variations from

targets or milestones (“exceptions”) will be reported upwards to Management Team, PPB and Executive Board. Service performance information will be held on a central IT system to provide transparency.

3. Divisional or Team Plans will set out the detailed work plans for teams and will be monitored by Operational Directors, again with exception reporting upwards.
4. Running through all levels of this pyramid will be consideration of community impacts – how will this priority affect or benefit different parts of Halton and how effective is it in those different areas.

3.5 Next Steps

If the principles set out above are agreed, it is suggested that this Board

1. gives initial views about any future framework;
2. oversees the process of developing the new framework; and
3. receives a further report at its meeting on 6 September 2011, with a view to making a recommendation to the Executive Board as to the future framework for the Authority.

4.0 **Policy Implications**

The Council’s Performance Management Framework will form a key part of the Council’s policy framework.

5.0 **OTHER IMPLICATIONS**

There are no direct costs associated with this. If care is taken to reduce and rationalise the number of things we measure and report, then indirect costs (staff time to produce data, information and reports) can be reduced.

6.0 **IMPLICATIONS FOR THE COUNCIL’S PRIORITIES**

Existing and future performance frameworks at both local and national level are linked to the delivery of the Councils’ priorities.

7.0 **RISK ANALYSIS**

The review of the existing Performance Framework will allow the authority to both align its activities to the delivery of organisation and partnership priorities and provide appropriate information to all relevant stakeholders in accordance with the “transparency agenda”.

8.0 EQUALITY AND DIVERSITY ISSUES

Minority and disadvantaged groups and geographic areas are involved with and taken into account in all stages of performance management, including planning, data collection and analysis, service delivery, policy and service development and the impact of policies.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None under the meaning of the act.

Appendix 1

Principles for developing a new performance framework

1. Our performance framework should start with an agreement about our top priorities and objectives for Halton.
2. The framework and the agreed priorities need the support of elected members, partners and managers.
3. It should be cost effective – a smarter, focussed approach that supports services to improve, identifying the things that will make a difference and lead to performance improvement as opposed to simply reporting on recent activity
4. It needs to be flexible and agile enough to cope with different ways of delivering services (shared, through arms length arrangements or outsourced, for example).
5. The performance framework should link performance to resources and so address value for money (how are outcomes affected by reduced expenditure?)
6. It should be based on the pyramid approach – a base of detailed operational plans and service performance measures at the bottom, narrowing upwards towards a small number of key outcome targets agreed by and monitored by members and strategic directors.
7. At the strategic level It should dovetail with a Halton Strategic Partnership performance framework.
8. We should make use of IT to present information in different formats to different audiences.
9. Ease of use, transparency and accessibility for members, officer, and residents.
10. Make better use of the information we already have, including qualitative information, to build up a picture and inform targeted interventions.