

MANAGING PERFORMANCE MANAGEMENT

PORTFOLIO RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

14TH DECEMBER, 2006

Wards Affected

County-wide.

Purpose

To report the results of the recently completed audit of performance management and the process for responding to the Audit Commission.

Key Decision

This not a key decision.

Recommendations

THAT the report be noted.

Reasons

1. In 2005, the corporate assessment process found that performance management was the weakest area of the Council's overall arrangements. The Audit Commission has now re-examined performance management and assessed progress over the last twelve months. The two-week audit covered processes, systems and procedures as well as the extent to which these are now embedded in the culture of the Council. Three key services were used to test the development of a performance management culture – adult social care, children's social care and benefits.
2. The main conclusion of the audit is that the Council is making steady progress in strengthening its performance management arrangements and in embedding a performance culture. However the report makes it very clear that the Council still has a long way to go and needs to move even faster in future if it is to bridge the gap between itself and what the Commission has identified as best practice local authorities.
3. The audit found that arrangements for managing performance in the two social care areas are improving steadily. These arrangements have been criticised in the past by various inspectorates. As a result of these improvements, the Commission consider it less likely that serious under-performance will go unreported in future. However, as with corporate arrangements, more needs to be done, particularly in children's social care, to ensure that improvements are sustained in line with corporate policy and embedded across the services.
4. Arrangements for managing performance in benefits were found to have improved significantly over the past year with particular strengths around workload monitoring and the setting of individual targets.

Further information on the subject of this report is available from
Tony Geeson, on 01432 261855

5. The audit report makes fourteen recommendations grouped under four headings:
 - Performance management culture and organisation
 - Partnerships, priorities and planning
 - Monitoring, analysing and reporting and
 - Managing individual performance

These recommendations are attached at Appendix 1

6. The recommendations are now being considered by those directly involved in the audit, directorate improvement staff, policy and performance, communications, human resources, the senior management team and corporate management board. An action & communications plan will be developed for the Audit Committees meeting on 19th January 2007. A formal response will then be made to the Audit Commission.
7. Performance management has been the subject of considerable work and investment since the corporate assessment in 2005. It is one of the key areas in the overall improvement plan and central to the Herefordshire Connects transformation programme. The network of improvement managers is being established with two officers in post and a third appointed. The children and young peoples post is still not filled on a permanent basis and this remains a risk.
8. The audit clearly expects the Council to maintain its current focus on:
 - streamlined, fit for purpose, processes and crucially,
 - establishing a culture of continuous improvement across members and officers

if it is to achieve, and demonstrate that it is achieving, fundamental service improvement over the next 12 months.

Considerations

1. The audit was undertaken as part of the 2006/07 audit & inspection plan. It is likely that the adequacy of the council's performance management arrangements will continue to be scrutinised by the Audit Commission and other inspectorates. The ways in which this will be done are not yet clear.
2. It is important to remember that this audit did not examine the actual performance of the council's services. These are the subject of individual, annual, service assessments or inspections. This audit examined the adequacy of the council's arrangements for securing high performance.
3. The council's response needs to be robust, to have wide ownership and to be communicated well across the organisation, with partners and to the public if it is to succeed. The planned consultations are intended to maximise the chances of success, meet any future requirement of the auditors / inspectors and public expectations of quality public services.

Risk Management

The audit is a fundamental part of the 'harder test'. The findings, and in particular the council's response, will have a significant bearing on future audits and inspections as well as the authority's wider reputation.

Alternative Options

None, the Council has to respond to the audit recommendations.

Consultees

Staff who contributed to the audit, directorate improvement managers, policy, human resources and communications staff, senior management team and the corporate management board.

Appendix

Recommendations of the audit.

Background Papers

Managing performance management 2006/07 – Audit Commission, September 2006

Audit Recommendations	
Performance management culture and organisation	
A framework for managing performance	R1. Construct and communicate a high-level model that clearly and simply identifies how the Council intends to assess and measure its level of performance and rate of improvement
Developing a performance culture	R2. Develop and implement a consistent strategic approach to embedding a performance management culture
Structural arrangements for managing performance	R3. Ensure that the respective roles and responsibilities of the Council's partnership team and the directorate performance management officers are clear
Engaging members in managing performance	R4. Ensure that members, both at cabinet and overview and scrutiny level are fully involved in, and integrated into, the Council's performance management arrangements
Partnerships, priorities and planning	
Managing performance in a partnership context	R5. Decide on the extent to which the Council will integrate its own service planning, priorities and performance management arrangements with those of its key partners in the Herefordshire Partnership
Developing a priorities framework	R6. Develop a simpler, clearer set of priorities – each with a basket of indicators and measures designed to provide a high-level picture of progress
Service and improvement planning	R7. Ensure that the role, purpose and content of service plans clearly links to the high-level set of indicators and measures, and reflects the approach the Council has decided to adopt in linking with partnership priorities
Monitoring, analysing and reporting	
Data collection and quality	R8. Produce regular high-level strategic assessments of performance trends, identifying, where relevant, barriers and levers to performance improvement
Directorate and divisional reporting	R9. Develop the current performance reporting process to provide both a more consistent approach to reporting performance within directorates, and a clearer, higher-level report of progress against priorities

Audit Recommendations	
Dealing with under performance	R10. Improve the way in which remedial action to address poor or under-performance is both presented and progress against it reported at corporate as well as directorate level
Reporting to members	R11. Ensure that there is a better consistency and purpose in the reporting of performance to executive and non-executive members
Managing individual performance	
The SRD process	R12. Improve the quality assessment of the SRD process to ensure that, among other things, individual targets are linked to service and corporate targets
Directors performance reviews	R13. Ensure that there are clear links between the action points in the Directors' Performance Review meetings and the issues discussed at DMTs and other management and team meetings within the directorates
Sanctions, reward and support	R14. Place more emphasis on the celebration and rewarding of success