

## **MANAGING PERFORMANCE MANAGEMENT**

**Report By: Director of Corporate and Customer Services**

### **Wards Affected**

County-wide

### **Purpose**

To consider the draft action plan attached at Appendix 1. This is being developed as the Council's response to the recommendations of the recent audit of performance management. When finalised, this action plan will be sent to the Audit Commission.

### **Financial Implications**

There are no financial implications

### **Background**

1. The Audit Commission re-examined the Council's performance management processes, systems and procedures last September as a follow up to the CPA & JAR in 2005.
2. The 2005 corporate assessment found performance management to be the weakest area of the Council's overall arrangements. This more recent 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.
3. 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.
4. 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.
5. 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.

6. The Cabinet received the audit report itself in December and will consider the draft action plan on the 18<sup>th</sup> January. The Audit & Corporate Governance Committee will consider the same plan on 19<sup>th</sup> January. After this the Council's formal response will be sent to the Audit Commission.
7. The draft action plan is attached at Appendix 1 and covers the fourteen audit recommendations. These recommendations have already been 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. All the recommendations are accepted by officers.
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 shared by members and officers

In order to achieve fundamental service improvement. Delivering the action plan is key to the Council demonstrating this continuing focus. The adequacy of the Council's performance management arrangements will continue to be scrutinised by the Audit Commission & other inspectorates over the next 12 months. The ways in which this will be done are not yet clear but completion of the action plan will be an important aspect of any future work.

9. The draft action plan at Appendix 1 is not a simple list of tasks to be completed although it does contain a considerable number of these. Like the Overall Improvement Plan developed as a response to the 2005 CPA / JAR, a more comprehensive view of the Council's activities and future challenges is required. Amongst these challenges are the recently published local government White Paper *Strong and prosperous communities*, the Herefordshire Connects change programme and the creation of a Public Services Trust. The challenge of the audit is just as fundamental and far reaching and the Council's response cannot be seen in isolation. As such the response signals a programme of concerted action that brings together a wide range of activities and changes the way in which the Council and its partners behave. It is not sufficient to respond to the words of the recommendations, many of which appear very simple to complete. They are however, linked in a variety of complex ways and the action plan reflects this.
10. Two recommendations are of fundamental strategic importance to be considered first. They are:
  - Recommendation 5: *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*
  - Recommendation 1: *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*

Recommendation 5 is of the most importance over the medium to long-term, since the view we take about it will provide the context within which all the other recommendations, including Recommendation 1, will need to be developed.

11. Recommendation 5 is critical because the recent local government White Paper, *Strong and prosperous communities*, expects local authorities to lead partnerships, as first among equals, to improve their communities and quality of life. The current Comprehensive **Performance** Assessment of local authorities will be replaced with a new Comprehensive **Area** Assessment; buttressed by the new duty to co-operate that will be placed on most partners. There will also be increasing pressure to achieve large-scale efficiency savings through partnership. The action plan is the start of our preparations for this new system
12. All this points to the need for the fullest possible integration of the Council's planning, priorities and performance management with its key partners in the *Herefordshire Partnership*. This model is already operating in one part of the Council: Children and Young People's Services. The strong improvements over the past year in the *Herefordshire Partnership's* performance management arrangements provide a good platform; but the White Paper requires us to go a good deal further.
13. The intention to create a Public Service Trust with the PCT in the coming months provides an immediate challenge and opportunity in this respect.
14. Working with partners to develop well-integrated planning and performance arrangements will take time and patient negotiation; but, with the White Paper changes beginning to take effect from 2008, it would seem prudent to aim for them to be in place by April of that year. The action plan includes this assumption.
15. However, rapid improvement in the Council's performance cannot wait until then. That means that, in parallel with developing the longer-term arrangements with partners, we must put in place our own improved arrangements in the coming months, with a view to their operating from 1 April 2007. These include the recommendations of the recently completed, annual, internal audit report on performance management. These arrangements would then be further developed into the longer-term partnership model.
16. The other recommendations are all important and tackling them will help the Council to improve. But all of them need to be taken forward in the context of what is agreed in respect of recommendations 5 and 1. That's why the draft action plan starts with these two recommendations. Then follow the most significant of the recommendations that are directly related to the implementation of 5 and 1, these are recommendations 6 and 8. After this the action plan deals with the remaining recommendations in as close to numerical order as is possible. The internal audit recommendations have been incorporated into the action plan where appropriate.
17. It will be possible to add more actions and milestones to the action plan in future, once some of the key decisions have been taken and areas of uncertainty resolved.

## RECOMMENDATIONS

### THAT:

- (a) the draft action plan and make appropriate recommendations to the Cabinet be considered;
- (b) how the Committee wishes to monitor progress against the action plan in future be considered; and;

**(c) identify any particular recommendations from the audit that it would wish to follow up as part of its future work programme.**

**BACKGROUND PAPERS**

- Managing performance management 2006/07 – Audit Commission, September 2006
- Local Government White Paper – *strong and prosperous communities* – October 2006