

MANAGING PERFORMANCE MANAGEMENT

PORTFOLIO RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

21 FEBRUARY 2008

Wards Affected

County-wide

Purpose

To report progress against the action plan that was developed as the Authority's response to the audit of its performance management arrangements in the autumn of 2006, and the associated communications action plan.

Key Decision

This is not a Key Decision

Recommendations

THAT:

- (a) **the report be noted; and**
- (b) **it be agreed that the plan be updated, submitted to Cabinet in April 2008, and progress reported every six months.**

Reasons

In the autumn of 2006 the Audit Commission conducted a major audit of the authority's performance management arrangements. The audit was a response to the findings during the 2005 Corporate Assessment that scored performance management at 2 out of 4 – the weakest element of the authority's corporate arrangements at that time.

The audit confirmed that many of the required processes were in place but found that there was still a long way to go before the authority had a performance management culture with the processes embedded within the working practices and behaviours of individuals. The attached action plan (**Appendix A**) was developed in response to the audit's 14 recommendations. These are listed according to their strategic significance, not numerical order. The Communications Action Plan (**Appendix B**) was developed in response to recommendation 2 of the audit.

Considerations

1. The Managing Performance Management Action Plan (**Appendix A**) and Communications Action Plan (**Appendix B**) are being implemented. Achievement was last reviewed internally by Strategic Monitoring Committee on 16th July 2007. Last autumn's direction of travel assessment by the Audit Commission provided a further, external, check on progress. The majority of actions required to have been delivered thus far have been achieved, although a number have still to be implemented such as Recommendation 4 g (vi) in Appendix A and 3 b in Appendix B.
2. The two action plans were originally developed to provide a comprehensive view of the council's activities and future challenges to strengthen its performance management arrangements, not just as a response to the 2006 audit. The action plans have already led to a strengthened performance management function, recognised in the Audit Commission's recent direction of travel statement which is reported separately on this agenda.
3. Overall, the performance management requirements on the Authority and its partners continue to change and rise. Externally, every regulator expects higher standards year on year and public expectations quite rightly increase. The new Local Area Agreement (LAA) coupled with increased roles for statutory partnerships highlights the importance of assurance / governance arrangements, including those for performance management, as well as performance itself. Internally, improvements continue including revisions to the 2008 staff review and development (SRD) process by the interim head of HR as well as strengthened training on risk and service planning. There are to be changes to the process by which the Chief Executive assures himself of directorate performance with the Director, Leader and Cabinet members.
4. All this means that the Action Plan in **Appendix A** is now somewhat dated and hard to read, containing as it does progress over the last 18 months of change. Following this cycle of meetings it will be revised to focus on the remaining tasks and the changed circumstances. It is particularly important that it looks forward to the Comprehensive Area Assessment (CAA) rather than focus on the last year of the current comprehensive performance assessment. Clear links need to be made between the remaining actions in response to the 2006 audit and preparations for CAA.
5. In readiness for the CAA a draft preparation programme has been developed for consideration by Cabinet, and is on the agenda for this meeting. The action plans now need to be updated to reflect the progress that the council has made in respect of its performance management arrangements in the last year, and the external challenges that it will face in future, including the CAA.

Alternative Options

Not applicable.

Risk Management

Strengthening of the performance management function will have a significant bearing on the council's future performance in achieving its priorities, and therefore on partnership working, future audits and inspections, the authority's wider reputation as well as improvement across Herefordshire as a whole.

Consultees

Relevant staff referred to in the action plans.

Background Papers

Managing Performance Management 2006/07 – Audit Commission, September 2006.