

**PERFORMANCE IMPROVEMENT FRAMEWORK AND CYCLE****Report By: Director of Corporate and Customer Services****Wards Affected**

County-wide

**Purpose**

1. For the Committee to consider a draft updated performance improvement framework for the Council, together with an associated two-year performance improvement cycle; and to offer comments for Cabinet to consider.

**Financial Implications**

2. Public consultation yielding statistically reliable results might be expected, depending on its precise nature and extent, to involve expenditure of £15,000 - £25,000. Some of this should be offset if the consultation were to be carried out with partner organisations. There are no other financial implications.

**Background**

3. The Council's **performance improvement framework** was last updated in March 2007. Developments since then, particularly the intensive programme to assure data quality, the tightening of the performance management arrangements for the *Herefordshire Partnership* and the new *Local Area Agreement*, and the emerging public service arrangements between the Council and the Primary Care Trust (PCT), mean that it is now out-of-date.
4. The **proposed revised performance improvement framework at Appendix 1 to this paper** reflects these developments. The opportunity has also been taken to clarify the definitions of roles and responsibilities (pages 20 to 22 and Appendix 5b of the proposed framework) and to improve the clarity of the text and diagrams more generally.
5. Most of the framework concerns operational and management matters that are the responsibility of the Chief Executive as Head of Paid Service. Cabinet will therefore be asked to approve only those elements relating to its own role and those of the Leader, lead Cabinet members and the scrutiny function.
6. The Committee may wish particularly to consider the elements that touch directly on the scrutiny function: in respect of performance monitoring and management on page 10; roles and responsibilities on page 21; and the diagrams at appendices 5A and 5B.
7. The suggested **introduction by the Leader and Chief Executive** (page 3) explains the purpose of the framework. It also sets the scene for crucial future developments, namely the introduction of the new system of *Comprehensive Area Assessment (CAA)* and the step-by-step development of public service arrangements with the PCT, both of which will necessitate further updating of the framework during 2008.

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Further information on the subject of this report is available from  
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8. Good governance and management of the Council dictate that the updating that is possible now should not be postponed pending those further developments. It is worth bearing in mind that the overall arrangements for *CAA* will not be confirmed before the Summer and that the details will not be settled before February 2009.
9. The framework has to be given effect by means of a **performance improvement cycle** that meets current and foreseeable needs and circumstances. These include:
  - (i) taking account of the emerging arrangements for public service arrangements between the Council and the PCT;
  - (ii) planning and carrying out the systematic programme of needs assessment required by law in respect of health and social care and, more generally, by *CAA* to inform future plans and budgets
  - (iii) the emerging arrangements for *CAA* as a whole;
  - (iv) the possibility of the Council (or the Council and the PCT, or the *Herefordshire Partnership* as a whole) conducting public consultation during 2008 to inform future priorities, plans and budgets; this has not happened with Council Tax-payers and citizens generally since late 2004;
  - (v) the importance of getting strategic priorities and plans settled much earlier in the cycle than we have managed hitherto; specifically to have the corporate plan approved well before directorate, service and other operational plans have to be produced and *detailed* budget decisions made.
10. These considerations cannot be accommodated within the current Council *annual* performance improvement cycle.
11. **Appendix 2 to this paper sets out a possible cycle that would accommodate the considerations set out in paragraph 9 above.** It would run through the rest of this year and throughout 2009, leading to the key operational elements being settled, as usual, before the end of March 2010.
12. The proposed cycle provides for the forthcoming Council Corporate Plan 2008-11 (the draft of which is before the Committee at this meeting) to be supplemented during 2008 as some of the current uncertainties are clarified; for operational plans to be refreshed for 2009-11; and for the subsequent corporate plan – which would be for 2010 -13 - to be prepared in the Spring of 2009, taking account of the decisions taken following public consultation and the new, statutory *Place Survey*, which will measure the public's perceptions of the quality of life and other aspects of living in Herefordshire.
13. The bottom line in Appendix 2 to this paper sets out the relevant elements in the PCT's performance cycle. While it isn't possible to achieve the full integration of the Council and PCT cycles (not least because of the elements of PCT cycle that are dictated by the Department of Health and the Strategic Health Authority), there is a need to make sure that the necessary connections are made as part of the development of public service arrangements. These will be particularly important in respect of the preparation of future plans, including those for joint commissioning, and associated decisions regarding pooled and other relevant budgets.

## RECOMMENDATION

**THAT the Committee considers the draft performance improvement framework and the associated two-year performance improvement cycle, and agrees any comments it wishes to make for Cabinet to consider.**

## BACKGROUND PAPERS

- None identified