



PERFORMANCE IMPROVEMENT FRAMEWORK AND CYCLE

PORTFOLIO RESPONSIBILITY: CORPORATE, CUSTOMER SERVICES AND HUMAN RESOURCES

CABINET

27 MARCH 2008

Wards Affected

County-wide

Purpose

To seek Cabinet's approval for an updated Council performance improvement framework and an associated performance improvement cycle for the next two years.

Key Decision

This is not a Key Decision.

Recommendations

THAT Cabinet approves

- (a) **those elements of the updated performance improvement framework at Appendix 1 that relate to its own role and those of the Leader, lead Cabinet members and the scrutiny function; and**
- (b) **the two-year performance improvement cycle at Appendix 2, including public consultation in Autumn 2008 to inform future priorities, plans and budgets.**

Reasons

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and the emerging public service arrangements between the Council and the Primary Care Trust (PCT), mean that it is now out-of-date.

1

The framework has to be given effect by means of a **performance improvement cycle** that meets current and foreseeable needs and circumstances.

Considerations

1. 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.
2. Most of the framework concerns operational and management matters that are the responsibility of the Chief Executive as Head of Paid Staff. Cabinet is therefore asked to approve only those elements relating to its own role and those of the Leader, lead Cabinet members and the scrutiny function.
3. 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.
4. 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 are not likely to be settled before February 2009.
5. The Council's **performance improvement cycle** needs to be re-shaped to meet current and foreseeable future needs and circumstances. These include:
 - taking account of the emerging arrangements for public service arrangements between the Council and the PCT;
 - 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
 - the emerging arrangements for CAA as a whole;
 - the possibility of the Council (or, possibly, 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; it will take considerable time to plan and carry out, and for the results to be analysed, presented and debated before decisions are taken;

- 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.
6. These considerations cannot be accommodated within the current Council *annual* performance improvement cycle.
 7. **Appendix 2 to this paper sets out a possible cycle that would accommodate the considerations set out in paragraph 5 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.
 8. The proposed cycle provides for the Council's Corporate Plan 2008-11 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.
 9. 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 joint commissioning plans and associated decisions regarding pooled and other relevant budgets.
 10. Strategic Monitoring Committee is scheduled to consider the proposed performance improvement framework and cycle at its reconvened meeting on 20 March. The Committee's recommendations to Cabinet will be reported at the Cabinet meeting.

Financial Implications

Depending on the method (or methods) used, public consultation could involve expenditure of the order of some £25,000. There are no other financial implications.

Risk Management

A clear, up-to-date performance improvement framework, together with a performance management cycle that delivers it effectively, are principal means of managing the risks to the achievement of the Council's priorities.

Alternative Options

Since the Council is effectively required to have a sound, up-to-date performance improvement framework and cycle, there are no alternative options.

Consultees

The Head of Human Resources, the Head of Financial Services, performance improvement managers, the Primary Care Trust, Corporate Management Board and Strategic Monitoring Committee.

Appendices

Appendix 1 – The proposed performance improvement framework for the Council and developing public service arrangements

Appendix 2 – The proposed performance improvement cycle for 2008 and 2009

Background Papers

None identified.