



# Performance Improvement Framework for the Council and developing public service arrangements

Draft Performance Improvement Framework for  
consideration by Cabinet  
27 03 08

## Contents

Page	
3	Introduction by the Leader and Chief Executive
4	Section 1 - Principles
6	Section 2 - Plans
9	Section 3 - Performance monitoring and management
13	Section 4 - Improving performance through people
15	Section 5 - Performance improvement cycle
16	Section 6 - Managing Risk
17	Section 7 - Self-assessment for improvement
18	Section 8 - Driving greater efficiency
20	Section 9 - Section Roles and responsibilities
23	Section 10 - Verification and quality assurance systems
27	<b>Appendix 1</b> - The hierarchy of plans
28	<b>Appendix 2</b> - How the Council's themes and top priorities relate to the Herefordshire Sustainable Community Strategy
29	<b>Appendix 3</b> – The Herefordshire Partnership's performance management arrangements
	<i>Appendix 4 – The performance improvement cycle [to be added following Cabinet's decision on the proposed two-year cycle, which is Appendix 2 to the SMC paper]</i>
30	<b>Appendix 5a</b> – The current planning and performance management relationship between the <i>Herefordshire Partnership</i> , the Council, and joint public service arrangements between the Council and the Primary Care Trust
31	<b>Appendix 5b</b> - Roles and responsibilities within the Council

# Draft Performance Improvement Framework for consideration by Cabinet 27 03 08

## Introduction

The Council's prime purpose is to improve the quality of life, fairness and prosperity for all the people of Herefordshire, at the same time as providing good value for money for tax-payers. A robust performance improvement framework is essential to achieving these things. Increasingly, the Council will do so by developing ever-closer public service arrangements with the *Herefordshire Primary Care Trust (PCT)* and the *Herefordshire Partnership* more generally.

That's why at the heart of this framework is the delivery of the *Herefordshire Sustainable Community Strategy* and the associated *Local Area Agreement (LAA)*.

The advent of *Comprehensive Area Assessment (CAA)* from 2009 means that all local public bodies must be able together to demonstrate a good understanding of the needs of their local communities, and those of the different groups of people who live in them, and that they are able to secure high quality, value for money services to meet these needs.

The Council and the *PCT* are committed to working together to improve outcomes for people, with a particular focus on reducing inequalities by improving outcomes for disadvantaged groups. To achieve this, the top priority is to have in place really effective joint commissioning plans for health and social care, as well as shared emergency planning and the management of the risks that could frustrate our common ambitions. Further improvements will follow step-by-step, for instance in respect of public health and by streamlining management, administration, accommodation and systems, so that more resources can be directed into front-line services.

This framework will be updated during 2008 to reflect these and other developments, including those involving the wider *Herefordshire Partnership*.

The Council aims for continuous improvements in services and outcomes that will lead to improved *Direction of Travel* and *Use of Resources* assessments from the Audit Commission – respectively, improving strongly and performing well - in time for CAA in 2009.

Achieving these things is everybody's business: elected members, Cabinet, Scrutiny, the Corporate Management Board and the Joint Management Board with the PCT, heads of service, managers and their teams across the Council. It also depends on the contributions of our PCT colleagues and other partners. All managers and their staff must have a good understanding of the Council's objectives, including those shared with the PCT and other partners working in public service arrangements. They must also have the skills and confidence to deliver them. Our commitment to achieving *Investor in People* accreditation will help make sure we do this.

**Councillor Roger Phillips**  
Leader of the Council

**Chris Bull**  
Chief Executive

# Draft Performance Improvement Framework for consideration by Cabinet 27 03 08

## Section 1 - Principles

### The Framework: -

- 1.1 Is about achieving the Council's and its partners' shared prime objectives, which are an improved quality of life, fairness and prosperity for people throughout Herefordshire, and the best possible value for money
- 1.2 Establishes an overall corporate planning and performance improvement cycle that integrates all aspects of corporate, directorate, service, financial and workforce planning
- 1.3 Establishes the link between the ambitions set out in the higher level plans (The *Herefordshire Sustainable Community Strategy* and the Council's Corporate Plan) and the service objectives and actions to deliver those ambitions as set out in directorate, service and other more detailed plans
- 1.4 Requires directorate and service plans to be of three-year duration, reflecting the lifespan of the Corporate Plan, and to meet the requirements of annually updated guidance
- 1.5 Establishes the links between corporate and service objectives and the work of individual employees, through the *Staff Review and Development (SRD)* process
- 1.6 Holds Cabinet members, directors, heads of service and other managers to account for the performance of the services for which they are responsible
- 1.7 Ensures that the actual performance of services compared to targets, milestones and budgets is reviewed through regular integrated performance and financial reporting to the Cabinet, lead Cabinet members, scrutiny committees, Corporate Management Board, the Senior Management Team and directorate management teams
- 1.8 Requires the development of improved systems to ensure accurate, valid, reliable, timely and secure data and intelligence, including a detailed action plan to achieve the standards set out in the Audit Commission's key lines of enquiry for data quality

# Draft Performance Improvement Framework for consideration by Cabinet 27 03 08

- 1.9 Ensures that risk management is integrated into corporate, workforce and service planning, and performance monitoring and management, at all levels
- 1.10 Requires a commitment to improved performance in all we do, through self-assessment, including comparator and benchmarking data, and the outcomes of peer review and external inspections
- 1.11 Requires the engagement of staff at all levels, including through the use of staff surveys
- 1.12 Is overseen by;
  - 1.12.1 - a Council Corporate Management Board, comprising the Chief Executive, directors and the Head of Human Resources, with a focus on strategic leadership
  - 1.12.2 - a Council and PCT Joint Management Board, comprising the Chief Executive, directors from both organisations and the Head of Human Resources
  - 1.12.3 - a Head of Policy and Performance
  - 1.12.4 - dedicated performance improvement managers across the Council, accountable to the Head of Policy and Performance
- 1.13 Provides the platform from which we will develop a wider performance improvement framework for the public service arrangements we are developing with the PCT and other partners

# Draft Performance Improvement Framework for consideration by Cabinet 27 03 08

## Section 2 - Plans

2.1 The hierarchy of plans, including the links between the *Herefordshire Community Strategy*, the associated *Local Area Agreement (LAA)*, the Council's Corporate Plan, directorate and service plans and the *Staff Review and Development (SRD)* process, is shown in the diagram at **Appendix 1**.

2.2 **The Corporate Plan** sets out, at a strategic level, what the Council intends to achieve over the next three years to improve outcomes for people and value for money. It expresses this in terms of priorities, objectives, SMART targets, the associated resources and the management of risks. It includes the objectives and targets from the *Community Strategy* and the *LAA*, and the joint objectives, targets and key actions being pursued by the Council and the *PCT*. The Corporate Plan is reviewed and rolled forward regularly. The overall performance of the Council is monitored and managed against the Corporate Plan.

2.3 **Appendix 2** shows how the Council's Corporate Plan themes and priorities relate to the *Community Strategy* and the *LAA* priorities.

2.4 **Directorate, service and other detailed plans** are the basis for ensuring that the Corporate Plan will be delivered in terms of improved outcomes for people and value for money, across all that the Council does itself and in partnership with the *PCT* and other organisations. They do this by making clear:

2.4.1 - what has been achieved so far

2.4.2 - what will be done to fulfil the Corporate Plan in terms of priorities, objectives, SMART targets and associated resources

2.4.3 - how this will be done, including identification of the major risks and how they will be managed

2.5 Once approved, they become the basis for monitoring and managing the performance of the individual directorates and services. They are also the basis for ensuring that the objectives of the *Herefordshire Partnership* and the Council, including its joint work with the *PCT*, are delivered through the work of teams and individuals: the service plan being the basis for the performance targets and development plans set out in an individual's *SRD*.

2.6 Directorate and service plans look forward 3 years. They are reviewed and rolled forward annually. At their core must be the objectives and SMART targets in the Corporate Plan, including those in the *LAA*, the joint work programme with the *PCT* and what is to be achieved by means of statutory and partnership plans.

# Draft Performance Improvement Framework for consideration by Cabinet 27 03 08

2.7 This means that they should not only address the directorate's or service's immediate functional responsibilities but also its contribution to delivering the Council's objectives and priorities as a whole. In particular, they must say explicitly how equality will be promoted and diversity respected; how inequalities will be reduced; and how the welfare of rural areas will be protected and improved.

2.8 They must also show how the directorate will meet the requirements of the *Investor in People* standard to ensure that staff are enabled to improve performance.

2.9 Directorate and service plans must be drawn up having regard to, amongst other things:

2.9.1 - benchmarking data, including performance compared with broadly comparable authorities/statistical neighbours

2.9.2 - the results of surveys, including the *Annual Satisfaction Survey*, and other means of understanding customers' needs and wishes

2.9.3 - the results of the annual *Staff Opinion Survey* and other means of understanding the views of staff

2.10 Managers and staff must be involved in the development of the plans, not least as regards the setting of targets they will be required to deliver. This is the responsibility of directors and heads of service.

2.11 The plans must be in place and approved before the first operating year to which they relate.

2.12 **Directorate plans** are the responsibility of directors. They are approved by the lead Cabinet member, subject to the Head of Policy and Performance having certified that they meet the published requirements.

2.13 **Service plans** are the responsibility of heads of service. They are approved by the relevant director (or, in the case of Human Resources, the Chief Executive) and the lead Cabinet member. Again, this is to be subject to the Head of Policy and Performance having certified that they meet the published requirements.

2.14 It is open to directors to decide not to have service plans but, instead, to meet the requirements for directorate and service plans in directorate plans.

2.15 Plans must be maintained in-year as living documents, being reviewed and updated to reflect changing needs and circumstances, so as to continue to provide a sound basis for performance management.

# Draft Performance Improvement Framework for consideration by Cabinet 27 03 08

2.16 The detailed requirements in respect of directorate and service plans are updated annually as part of the performance improvement cycle.

## **Team plans**

2.17 It is for managers, with their line managers, to decide whether a team plan should be prepared to clarify or promote objectives arising from directorate or service plans and to manage team performance. Where they are produced, it is the responsibility of managers to involve their teams in the development of the plans.



Draft Performance Improvement Framework for  
consideration by Cabinet  
27 03 08

## **Section 3 - Performance monitoring and management**

3.1 Performance is monitored and managed at a level, and in a manner, appropriate to the individual committee, board, team, manager and member of staff.

### **Integrated performance and financial reports**

3.2 Integrated performance and financial reports (IPFRs) are the highest level Council performance reports. They are the principal means of reporting strategically to the Cabinet, Strategic Monitoring Committee (SMC), Corporate Management Board (CMB) and Senior Management Team (SMT).

3.3 IPFRs present hard (quantitative) and soft (qualitative) performance information on the full range of the Council's responsibilities and functions in terms of:

3.3.1 - the in-year targets, milestones and key actions shown in the Corporate Plan, including those in the *LAA*;

3.3.2 - the high-level picture in terms of the baskets of indicators that are the primary determinants of the Council's individual service block and overall *Comprehensive Performance Assessment (CPA)* scores and *Direction of Travel* assessment;

3.3.3 - the full suite of national mandatory performance indicators;

3.3.4 - the in-year targets, milestones and key actions being pursued jointly by the Council and the *PCT*

3.3.5 - the results of significant internal and external reviews and inspections;

3.3.6 - revenue and capital budgets;

3.3.7 - major workforce issues, including diversity;

3.3.8 - identified corporate risks.

3.4 They focus attention on the key issues, highlighting achievements as well as shortfalls by exception. In particular, they provide regular, high-level assessments of performance trends, identifying barriers and levers to performance improvement, so as to provide a spur for better performance.

# Draft Performance Improvement Framework for consideration by Cabinet 27 03 08

3.5 The IPFRs are supplemented by the reporting of performance management information associated with key corporate work-streams, such as major programmes, and controls assurance and audit matters considered by the Audit and Corporate Governance Committee.

SMC determines whether any matters in IPFRs should be referred to individual scrutiny committees for their consideration.

3.6 IPFRs use a red/amber/green (RAG) traffic-light system to identify what's going well, as well as areas of concern, i.e. those where we are performing below target or at risk of doing so. This system applies to all levels of the performance improvement framework.

## **Timetable**

3.7 The timetable for IPFRs is:

3.7.1 - to Cabinet and CMB - months 2,4,6,8,10 and 12, with a strategic assessment of end-year out-turn (and further detail, as necessary) reported in June.

3.7.2 - to SMC - the latest available report under a), if necessary supplemented with an up-date on subsequent developments.

## **Reports to subject scrutiny committees**

3.8 Subject scrutiny committees receive:

3.8.1 - an annual presentation by the relevant lead Cabinet member(s) on performance over the previous operating year against the objectives, targets, milestones and budgets in the previous year's plans and on issues for the current year and beyond

3.8.2 - in good time for the operating year to which they relate, relevant directorate and service plans

3.8.3 - at least quarterly, reports on progress against the objectives, targets, milestones, budgets and risks in relevant directorate and service plans

3.8.4 - such other reports as they may require, following consultation with the relevant lead Cabinet member(s) and the relevant director(s)/Head of Human Resources

## **The Leader and the Chief Executive**

# Draft Performance Improvement Framework for consideration by Cabinet 27 03 08

3.9 The Leader and the Chief Executive receive from each director/the Head of Human Resources, in terms agreed with the Head of Policy and Performance:

3.9.1 - a quarterly (January, April, July and October), report on progress against the objectives, targets, milestones, budgets and risks in relevant plans, on the basis of which a minuted meeting takes place between the Leader, the lead Cabinet member, the Chief Executive and each individual director/the Head of Human Resources, together with the Head of Policy and Performance and/or a member of his staff, to discuss the report

3.9.2 - such other reports as they may require.

## **Lead Cabinet members**

3.10 Lead Cabinet members receive from the relevant directors/the Head of Human Resources:

3.10.1 - monthly exceptions reports against the objectives, targets, milestones, budgets and risks in relevant directorate and service plans

3.10.2 - such other reports as they may require, following consultation with the relevant director(s)/Head of Human Resources

3.11 These reports are discussed at a monthly, minuted, meeting between the lead member and the relevant director(s)/Head of Human Resources.

## **Directors**

3.12 Directors receive from each of their heads of service:

3.12.1 - in preparation for each of their quarterly meetings with the Leader, the lead Cabinet member and Chief Executive, a report on progress against the objectives, targets, milestones, budgets and risks in the relevant service plan, on the basis of which a minuted meeting takes place between the director and the head of service to discuss the report

3.12.2 - such other reports as they may require.

3.13 Directors and heads of service are required to ensure that there is an effective cascade for discussion and follow-up of performance issues from their performance meetings with the Leader, the lead Cabinet member and the Chief Executive, and the other high-level reporting mechanisms, at meetings of directorate management and other teams.

# Draft Performance Improvement Framework for consideration by Cabinet 27 03 08

## **Team meetings**

3.14 It is the responsibility of all managers to hold regular team meetings to discuss performance, exchange information, identify actual or potential performance shortfalls against plans, recognise individual and team achievement, and enable improvement. Where appropriate, this can be coupled with the meetings arranged to discuss *News and Views*.

## **Partnership reporting**

3.15 Performance management for the *Sustainable Community Strategy*, the *LAA* and *Local Public Service Agreement 2* is the responsibility, with the Council, of the *Herefordshire Partnership*, which is the county's *Local Strategic Partnership*.

3.16 The *Herefordshire Partnership* performance management process mirrors that of *Herefordshire Council* in that it uses the same templates, a RAG traffic-light system and timescales. Progress is reported bi-monthly, by exception, to the *Herefordshire Partnership Performance Management Group*, which initiates action, as required. In turn, the *Performance Management Group* reports to the *Herefordshire Partnership Chief Executives Group*, by exception, which initiates action, as required.

3.17 Performance information considered by the *Performance Management Group* and the *Group's* views are incorporated in the earliest possible Council IPFR.

**Appendix 3** shows how the *Partnership* arrangements are structured.

Draft Performance Improvement Framework for  
consideration by Cabinet  
27 03 08

## **Section 4 - Improving performance through people**

4.1 The *Investor in People (IiP)* standard to which the Council aspires provides the framework for improving performance through people. Key principles are:

- 4.1.1 - developing strategies to improve performance
- 4.1.2 - taking action to improve performance
- 4.1.3 - evaluating the impact on performance

### **Individual performance - *Staff Review and Development (SRD)***

4.2 It is the Council's policy that a formal review of every employee's performance and development is held at least annually (except for those employed in a teaching capacity in schools). This annual *SRD* is supplemented by a six-monthly review of progress. The review and development discussion is conducted between an appropriate manager or supervisor and the individual jobholder.

4.3 The purpose of the *SRD* discussion is to:

- 4.3.1 - improve the individual's, team's and service's performance;
- 4.3.2 - review and provide feedback on performance over the last year;
- 4.3.3 - ensure employees are clear about what they are required to achieve in the coming year (in line with service/team plan objectives and targets for performance);
- 4.3.4 - plan how to gain any additional skills and knowledge needed to do this, and agree who will take agreed actions;
- 4.3.5 - inform succession planning;
- 4.3.6 - support and identify individual's development potential and career objectives; and
- 4.3.7 - agree how progress against an individual's *SRD* objectives will be monitored and supported.

### **Timings**

4.4 To ensure direct links between service objectives and targets and those of individuals:

- 4.4.1 - *SRDs* of Directors and Heads of Service must be completed before the end of March each year;
- 4.4.2 - *SRDs* of all other managers and staff must be completed before the end of May each year.

# Draft Performance Improvement Framework for consideration by Cabinet 27 03 08

4.5 Directors and heads of service are required to have in place auditable systems to ensure that all *SRDs* are completed by these deadlines to a satisfactory and consistent standard. In particular, they must ensure that they include objectives and targets, based on the relevant directorate/service/team plan, that are appropriate to the individual member of staff.

4.6 Full guidance and pro formas for the conduct of *SRDs* are on the Council Intranet under: *Info library* → *personnel* → *personnel* → *staff review and development* [Click here to access](#).

## **Six-monthly *SRD* review**

4.7 This discussion affords the opportunity to review progress against objectives and up-date actions, including in respect of the individual's training and development.

## **1-2-1s / supervision**

4.8 Regular 1-2-1s (or supervision sessions for employees in social work/care services), at a minimum of six-weekly intervals, are necessary to underpin the annual *SRD* discussion and to ensure that progress, objectives and targets are regularly reviewed, monitored and, where necessary, amended.

Draft Performance Improvement Framework for  
consideration by Cabinet  
27 03 08

## Section 5 - Performance improvement cycle

5.1 The performance improvement cycle (PIC) binds together operationally all the individual elements in this framework. Through a process of constructive challenge by managers and members, it enables the Council to:

5.1.1 - link directly, at all stages of planning and performance management, the allocation of resources with the delivery of the Council's and *Partnership* priorities, in terms of measurably improved outputs and outcomes for people

5.1.2 - achieve the best possible value for money, both overall and in respect of individual services

5.1.3 - make informed choices about the trade-offs between investment in different services

5.1.4 - address successfully cross-cutting objectives, such as diversity, equalities and rural issues

5.1.5 - develop improved services by means of workforce planning and recruitment and retention strategies

5.1.6 - make cash-releasing and non-cash-releasing savings to meet Government requirements and deliver service improvements in priority areas

5.1.7 - drive continuous improvement that secures better customer services and outcomes for people across the Council and with the PCT and other partner organisations

5.1.8 - make clear what senior managers', managers' and employees' responsibilities are in implementing the performance improvement framework

5.1.9 - ensure that effective commissioning and procurement procedures are in place

5.2 To these ends, the processes for corporate, service and financial planning are fully integrated in the cycle.

5.3 The core elements are shown in **Appendix 4**: The Performance Improvement Cycle 2008-09

***[N.B. Appendix 4 will be added once Cabinet has taken decisions on the proposed two-year cycle, which is Appendix 2 to the SMC paper ]***

Draft Performance Improvement Framework for  
consideration by Cabinet  
27 03 08

## Section 6 - Managing Risk

***[N.B – A single Risk Management Strategy for the Council and the PCT is currently being developed; it is expected to be completed and signed off by March 2008, at which point this section will need to be updated. The following is taken from the Council current arrangements.]***

6.1 The basis for continuous improvement in services and outcomes for people is a sound understanding of the needs and wishes of people and communities throughout the county, with a particular focus on improving the life-chances of vulnerable and disadvantaged groups.

6.2 On its own, this won't deliver the desired improvements. That depends on identifying the main risks to success and then managing them successfully.

6.3 Conscious, controlled risk-taking is therefore at the heart of effective performance management.

6.4 Effective risk management at all levels will improve performance against objectives by contributing to:

6.4.1 - better service delivery

6.4.2 - better outcomes for people

6.4.3 - fewer shocks and unwelcome surprises, with a

reduction in management time spent fire-fighting

6.4.4 - change programmes being achieved

6.4.5 - more focus on doing the right things and doing them properly

6.4.6 - a better basis for setting strategy

6.4.7 - reduced fraud

6.4.8 - more innovation

6.4.9 - a suitably qualified and trained workforce to commission and deliver services

6.4.10 - more efficient use of resources

6.5 To achieve a consistent approach to managing risk throughout the Council, it is imperative that all managers follow the agreed policy and tool-kit as provided by the Corporate Risk Manager. The tool-kit provides a step-by-step guide to identifying and managing risks and the formats for the risk register action plan.

6.6 The policy and tool-kit can be found using the following links:

Click here to access the [Risk Management Tool-Kit 2007](#)

Click here to access the [Risk Management Policy 2007](#)

Click here to access the [Risk Management Strategy 2007](#)



# Draft Performance Improvement Framework for consideration by Cabinet 27 03 08

## Section 7 - Self-assessment for improvement

7.1 Self-assessment for improvement is integral to the performance improvement cycle (PIC). All managers and their teams must strive actively to understand what they are achieving in terms of improved outcomes for people and better value for money; and to identify the key levers that will secure further improvements. Some of the tools to help do this are:

7.1.1 - the challenge process that runs through the PIC

7.1.2 - the analysis of performance against KPIs, both corporately and in directorates and services, is central to targeted programmes of improvement

7.1.3 - annual self-assessment for the *Direction of Travel* and *Use of Resources* assessments

7.1.4 - self-assessment in advance of periodic external inspections of specific services, including Corporate Policy and Performance “critical friend” involvement

7.1.5 - assessment as an integral part of the Council’s *Business Transformation Programme* to improve customer services and deliver the financial capacity needed to invest in key priorities for the future.

7.2 Further details are included in the *Driving greater efficiency* section that follows.

7.2.1 - Internal Audit work and reports make a vital contribution

7.2.2 - the results of external inspections and reviews, including the *Annual Audit Letter*, are taken into account in all planning and performance management, alongside self-assessment

7.3 During 2008-09, the Council will review how its assessment capacity could be further improved. This will take account of developments in the public service arrangements.

# Draft Performance Improvement Framework for consideration by Cabinet 27 03 08

## Section 8 - Driving greater efficiency

8.1 The Council's success depends on continued improvement in the productivity of all available resources: people, land, property, ICT and cash.

8.2 Our strategy is to improve services to secure outcomes valued by our users and the people of Herefordshire generally. We aim to get more from the same amount of resources, or achieve the same with less, targeting the capacity released to achieve our highest priorities. As part of this the Council and the PCT are working together to reduce management overheads and maximise the resources available for front-line services. We plan to extend this approach as we develop public service arrangements with partners more generally.

8.3 We intend to deliver cumulative, cashable and recurrent efficiency savings of 3% per annum over the coming three years. This target is at the heart of the performance improvement cycle.

8.4 Complementary measures that will drive potentially additional efficiency savings include:

8.4.1 - whenever there is staff turnover, the appropriate way of delivering the relevant elements of service is reviewed; this may include not replacing the member of staff, reallocating the duties to others or changing the way the service is provided;

8.4.2 - service managers are empowered to transfer certain amounts and types of budget between items, so that they have flexibility, within approved aggregate budgets, to react to changing needs and circumstances and improve the delivery of services to customers  
**[[electronic link to the Financial Procedures Manual](#)]**

8.4.3 - directorate and service plans set out the changes to services that are planned over the coming years to achieve improved performance within constrained budgets

8.4.4 - task and finish scrutiny teams carry out best value reviews of service areas the Council wishes to develop

### Providing value for money

8.5 Value for Money (VfM) has assumed enormous importance in the public sector and in the assessment of performance. The Council is required to deliver best value in the provision of services and to demonstrate its ability to achieve improved VfM, which is assessed through the *Comprehensive Performance Assessment (CPA)*, including the *Use of Resources* assessment, and annual audit and inspection letters. These disciplines are

# Draft Performance Improvement Framework for consideration by Cabinet 27 03 08

expected to become even more demanding under the new system of *Comprehensive Performance Assessment (CAA)*.

8.6 Council plans must show how VfM will be achieved. Plans therefore need to demonstrate:

8.6.1 that the Council currently achieves good VfM -

8.6.1.1 - do costs compare well with others allowing for external factors?

8.6.1.2 - are costs commensurate with service delivery, performance and outcomes achieved?

8.6.1.3 - do costs reflect Council priorities?

8.6.2 that the Council manages and improves VfM -

8.6.2.1 - do services monitor and review VfM?

8.6.2.2 - have services improved VfM and achieved efficiency gains?

8.6.2.3 - do procurement and other spending decisions take account of full long-term costs and benefits?

8.7 The key principles that underpin the approach to VfM are, where possible, to:

8.7.1 - take a community-wide perspective rather than that of individual service users;

8.7.2 - look at gross costs, as net costs can mask high spending if income is high;

8.7.3 - take account of local context and quality of service;

8.7.4 - take account of long-term costs and benefits, including the wider social and environmental impact;

8.7.5 - ensure equity of access to services;

8.7.6 - use data on costs and performance to provide a starting point for questions;

8.7.7 - allow for local policy choices within the context of national policies, priorities and specified standards of service;

8.7.8 - review current performance in achieving VfM and how VfM has improved over time, for example, using trend analysis; and

Draft Performance Improvement Framework for  
consideration by Cabinet

27 03 08

8.7.9 - rely on evidence of outcomes achieved and the effectiveness of activity to improve VfM.

# Draft Performance Improvement Framework for consideration by Cabinet 27 03 08

## Section 9 - Roles and responsibilities

9.1 The current planning and performance relationship between the *Herefordshire Partnership*, the Council, and the Council and PCT's developing public service arrangements are illustrated in **Appendix 5a**.

9.2 Planning and performance roles and responsibilities within the Council are illustrated in **Appendix 5b**. (Headline roles and responsibilities in respect of data quality are described in section 10 below.)

9.3 The Council's role takes into account its direct service contribution to the *Herefordshire Sustainable Community Strategy (HSCS)* and *Local Area Agreement (LAA)*, as well as its community leadership role in ensuring that these strategies meet the needs of the county and are delivered successfully.

Headline roles and responsibilities within the Council are:

9.4 **Cabinet-** Cabinet has *collective overall accountability* for the effective operation of the Council, discharging its responsibility by:

9.4.1 - with the approval of the Council, setting the Council's overall aims, objectives and priorities, including those delivered with the *Herefordshire Partnership* and under public service arrangements with the PCT

9.4.2 - setting the broad performance improvement and management framework for the Council, defining high-level performance indicators

9.4.3 - ensuring that it receives all the necessary information to enable it to interrogate the critical success areas and key performance indicators, so as to inform decision-making

9.4.4 - ensuring there is an appropriate link between agreed performance targets and actual delivery

9.4.5 - identifying appropriate actions required where there are positive or negative variances from projected performance

9.4.6 - identifying an appropriate individual member of the Cabinet or of the Corporate Management Board to be responsible for each performance area

9.5 **The Leader** – *overall leadership and drive*, ensuring that the *Partnership's* and the Council's policies and priorities, including those being pursued jointly with the *PCT* under public service arrangements, are clear and are being communicated and implemented successfully.

# Draft Performance Improvement Framework for consideration by Cabinet 27 03 08

9.6 **Individual Cabinet members** – *overall leadership in their respective lead areas*, ensuring with the relevant directors/Head of Human Resources that plans reflect the Council's and *Partnership* priorities and are being implemented successfully, including under public service arrangements.

9.7 **Scrutiny** – *testing* the robustness of plans and the effectiveness of performance management to deliver the Council's and *Partnership* priorities, including under public service arrangements.

9.8 **The Chief Executive** – *leadership of the executive staff*, ensuring that the Council's and *Partnership* plans and priorities and associated systems are soundly based, communicated clearly to all staff and partner organisations and implemented successfully, including under public service arrangements.

9.9 **Corporate Management Board** – *collective responsibility* for the robustness of the Council's plans and systems to deliver the Council's and *Partnership* priorities, including under public service arrangements, the alignment of resources to implement them successfully, and the effectiveness of their communication and performance management.

9.10 There is also a developing role for the **Council and PCT Joint Management Board** in respect of the establishment of public service arrangements between the two organisations. This and other aspects of the governance, leadership and management of the public service arrangements will be further developed in the months ahead.

9.11 **Individual directors** – *strategic leadership and management of the staff in their directorates*, ensuring that their plans reflect the Council's and the *Partnership's* policies and priorities, as set out in the Corporate Plan, in terms of their direct functional responsibilities, public service arrangements and cross-cutting objectives, such as equalities and sustainability; that they are understood by all their managers and staff, and delivered successfully within approved budgets; and that performance information and analysis are presented clearly and accurately in accordance with the Council's timetable and other requirements.

9.12 **Heads of service** – *operational leadership and management of the staff in their services*, ensuring that their plans reflect the Council's and *Partnership* policies and priorities as set out in the Corporate Plan, in terms of their direct functional responsibilities, public service arrangements and cross-cutting objectives, such as equalities and sustainability; that they are understood by all their managers and staff, and delivered successfully within approved budgets; and that performance information and analysis are presented clearly and accurately in accordance with the Council's timetable and other requirements.

9.13 **Head of Policy and Performance** – *ensuring* that the Council has sound planning and performance management systems and that they are operating

# Draft Performance Improvement Framework for consideration by Cabinet 27 03 08

so as to deliver successfully its policies and priorities, including those of the *Partnership* and under public service arrangements.

**9.14 Performance improvement managers** – *ensuring* that the Head of Policy and Performance is able to discharge his responsibilities within their respective directorates and services; in particular by supporting their director(s) and heads of service to produce plans and to operate efficient and effective systems for performance management and reporting, all so as to enable them to deliver the Council's and *Partnership* policies and priorities, including under public service arrangements, within approved budgets.

**9.15 All individual managers** – *ensuring* that they and their staff contribute to the development of the relevant directorate/service and other plans, and understand their contribution to delivering the Council's and *Partnership* priorities, including under public service arrangements; that the objectives and targets of all teams and individuals for whom they are responsible reflect accurately what they are required to deliver to help achieve the policies and priorities; and that their team's approved objectives and targets are delivered within approved budgets.

**9.16 All individual members of staff** – *ensuring* that they understand what their contribution is to delivering the Council's and *Partnership* policies and priorities, including under public service arrangements, that they become actively involved in service and team planning activities instituted by managers, and that their individual objectives and targets are delivered within approved budgets.

**9.17 Research** – Advising on the selection of indicators; and overall *State of Herefordshire* reporting (Council, *Partnership* and under public service arrangements)

**9.18 Internal Audit** – assuring that the performance improvement framework as a whole is operating effectively.

Draft Performance Improvement Framework for  
consideration by Cabinet  
27 03 08

**Section 10 - Verification and quality assurance systems**

10.1 The main verification and quality assurance systems for this framework are as follows:

10.1.1 - a corporate pro forma for all national and local performance indicators (PIs), including the definition, method of calculation, management and responsibility for each

10.1.2 - the early production of quality-assured PI information at year-end

10.1.3 - Internal Audit focus on any qualified or new performance indicators and support to any managers with concerns or uncertainties in this area

10.1.4 - targeted Internal Audit work on LAA PIs

10.1.5 - a template that has to be completed and regularly updated for each of the individual strategic PIs that are in the Corporate Plan (amongst which are all those selected for the *Herefordshire Sustainable Community Strategy*, including the LAA); this is quality assured jointly by Corporate Policy and Research and the Partnership support team; it provides the basis for the compilation of the IPFRs

10.1.6 - advice and support from the Research Team in respect of the design and selection of all strategic PIs and the setting of appropriate targets

10.1.7 - continuing work within directorates and services, under the overall direction of the Head of Policy and Performance and delivered by the performance improvement managers, to ensure that data is accurate, valid, reliable, timely, secure and collected and presented clearly to enable effective decision-making.

10.1.8 - targeted and, where necessary, mandatory corporate programme of training for managers on planning and performance improvement, including risk management

10.1.9 - commitment from directors and heads of service to ensure that the work is driven, supported and prioritised within their services

10.1.10 - closer working with District Audit, including joint set-up and feedback sessions with performance improvement managers



# Draft Performance Improvement Framework for consideration by Cabinet 27 03 08

10.1.11 - the quality assurance of directorate and service plans under the direction of the Head of Policy and Performance

10.1.12 - annual internal audit of the operation of this framework, which follows as a consequence of its having been identified as one of the Council's critical systems

10.1.13 - a *Data Quality Action Plan* to ensure that the Council progressively improves its performance in this respect in accordance with the Audit Commission's guidance on best practice

10.1.14 - continuous assessment against the *Investor in People* standard

## **Data Quality**

10.2 The Council has a *Data Quality Policy*, within which five core areas have been identified to provide a common approach to the collection, recording, analysis and reporting of data across the authority. The five areas are:

### **Responsibility and accountability**

10.3 *Overall responsibility and accountability* for data quality rests, on behalf of the Council and Cabinet, with the Leader and, on behalf of the Corporate Management Board, the Chief Executive.

10.4 *Strategic responsibility and accountability* is vested in the lead member for Corporate and Customer Services and Human Resources, and the Director of Corporate and Customer Services.

10.5 *Operational responsibility and accountability* is vested corporately in the Head of Policy and Performance and, for their respective services, the heads of services.

10.6 They are supported in the discharge of these duties by designated performance improvement managers. Each performance improvement manager has a *personal responsibility*, in respect of which they account to the Head of Policy and Performance, for ensuring in his or her respective areas that data quality protocols, procedures and systems are in place and operating efficiently and effectively.

10.7 The Council and *Herefordshire Partnership* Research Team is responsible for advising on and quality-assuring the analysis, interpretation and presentation of data.

10.8 All managers and staff have a *personal responsibility and accountability* for the accuracy and sound presentation of data, and for observing associated

# Draft Performance Improvement Framework for consideration by Cabinet 27 03 08

protocols, procedures and systems that apply to their designated areas of work.

## **Principles governing data quality**

10.9 Data quality is an integral part of all Council business and performance management. Data used to inform plans and decision-making, including resource allocation, must be right first time and fit for purpose. Data quality is the responsibility of all who contribute to it, directly or indirectly, whether they are producers of data or users of it

## **Key requirements for assuring data quality**

10.10 All staff must be aware of the importance of data quality and take responsibility for securing it.

10.11 Up-to-date arrangements and control procedures must be documented and in operation for the ownership, security, collection, recording, collation, analysis and reporting of data.

10.12 Staff must be equipped with the knowledge, understanding, skills and tools necessary to maximise the quality of data and their effective use.

10.13 Clear performance management arrangements must be in place across the organisation to ensure that data are used appropriately to inform decision-making, including resource allocation.

10.14 Data quality must be assured through routine reporting of errors and performance reviews.

10.15 All out-turn data and collection processes must be subject to periodic audit and review.

10.16 Business continuity and security arrangements must be in place for all data and information systems.

10.17 In furtherance of the Council's commitment to working with the PCT and other partners to deliver the *Herefordshire Sustainable Community Strategy*, including through public service arrangements, protocols agreed with partners and any relevant third parties must be in place to ensure that fit-for purpose data can be shared in compliance with legal and confidentiality standards.

10.18 A documented validation process must be in operation for all data provided by partners or third parties

# Draft Performance Improvement Framework for consideration by Cabinet 27 03 08

## **Securing a data quality culture**

10.19 The Council is determined to embed a culture of data quality across the organisation. Elected members, managers and staff alike must act at all times with an awareness of the importance of data quality and of accuracy and integrity in the use of data. It is therefore imperative that all receive the training or development appropriate for their particular roles, responsibilities and accountabilities; and that this is reviewed and refreshed over time to meet changing requirements, needs and circumstances.

## **Monitoring and review**

10.20 Progress in giving effect to this policy, through the associated operational arrangements and the *Data Quality Action Plan*, will be monitored regularly. The Head of Policy and Performance will report on it quarterly to the lead Cabinet member and Corporate Management Board, and six-monthly to the Cabinet and the Audit and Corporate Governance Committee.

10.21 The Chief Internal Auditor will present an annual data quality audit assurance report to the lead Cabinet member and director. This will also be reported to the Audit and Corporate Governance Committee and the Corporate Management Board. It will form the basis for continuous improvements in data quality.

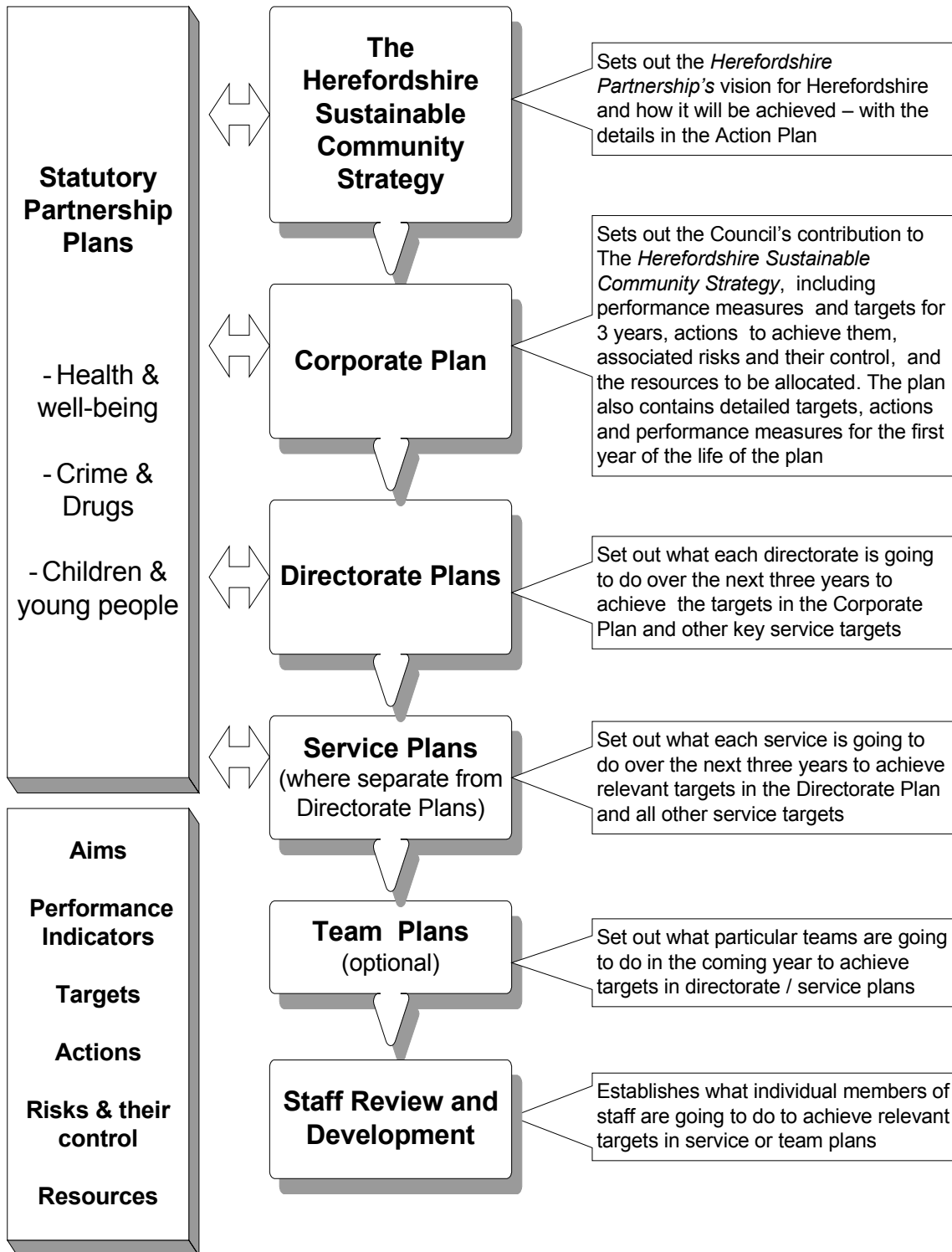
10.22 The *Data Quality Policy* and its associated operational arrangements and *Action Plan* will be reviewed and reported by the Head of Policy and Performance alongside the annual data quality audit assurance report.

# Draft Performance Improvement Framework for consideration by Cabinet

27 03 08

## The Corporate Planning Process

## Appendix 1



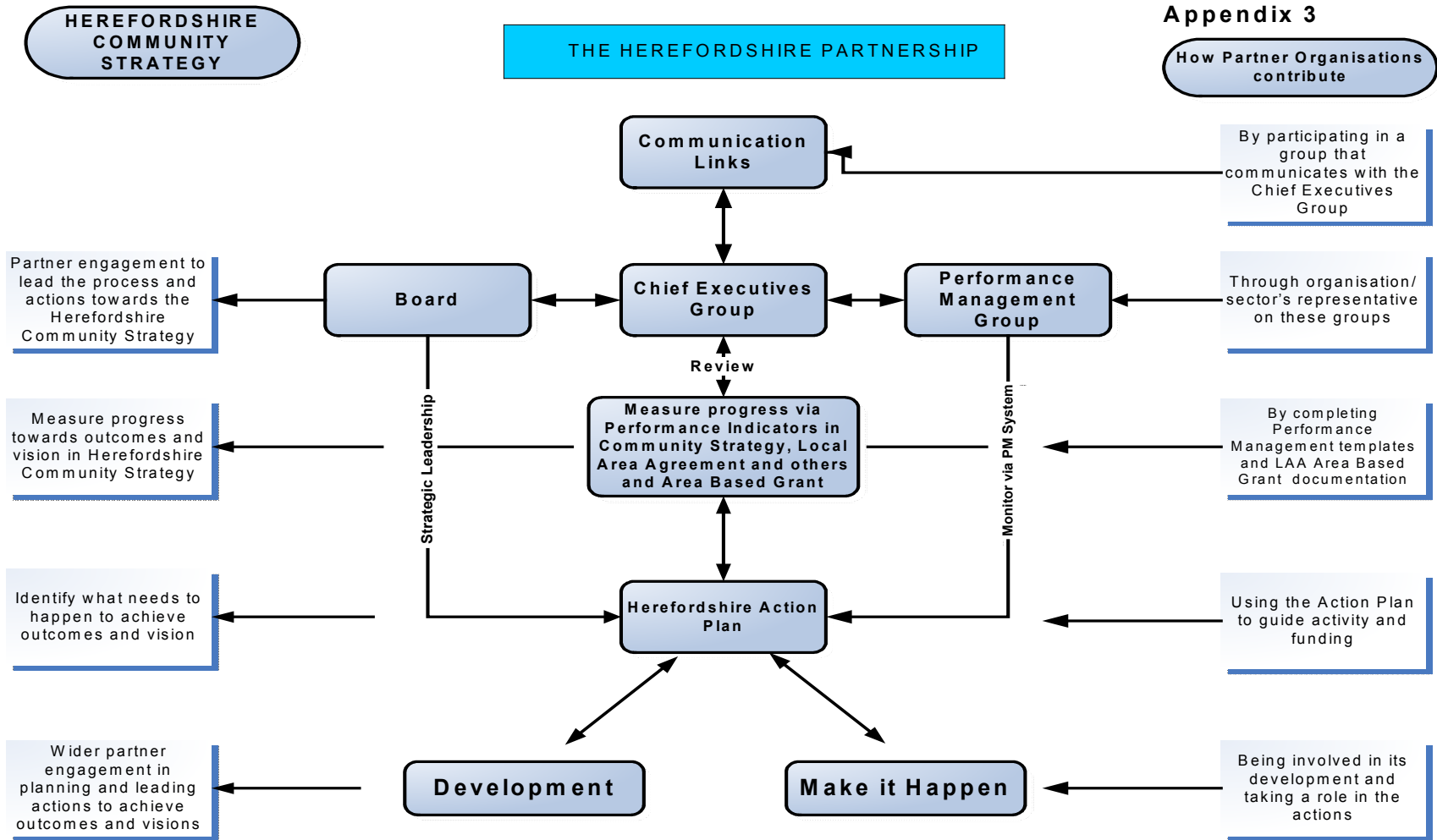
# Draft Performance Improvement Framework for consideration by Cabinet 27 03 08

How the Council's themes & top priorities relate to the Herefordshire Sustainable  
Community Strategy (HSCS)

Appendix 2

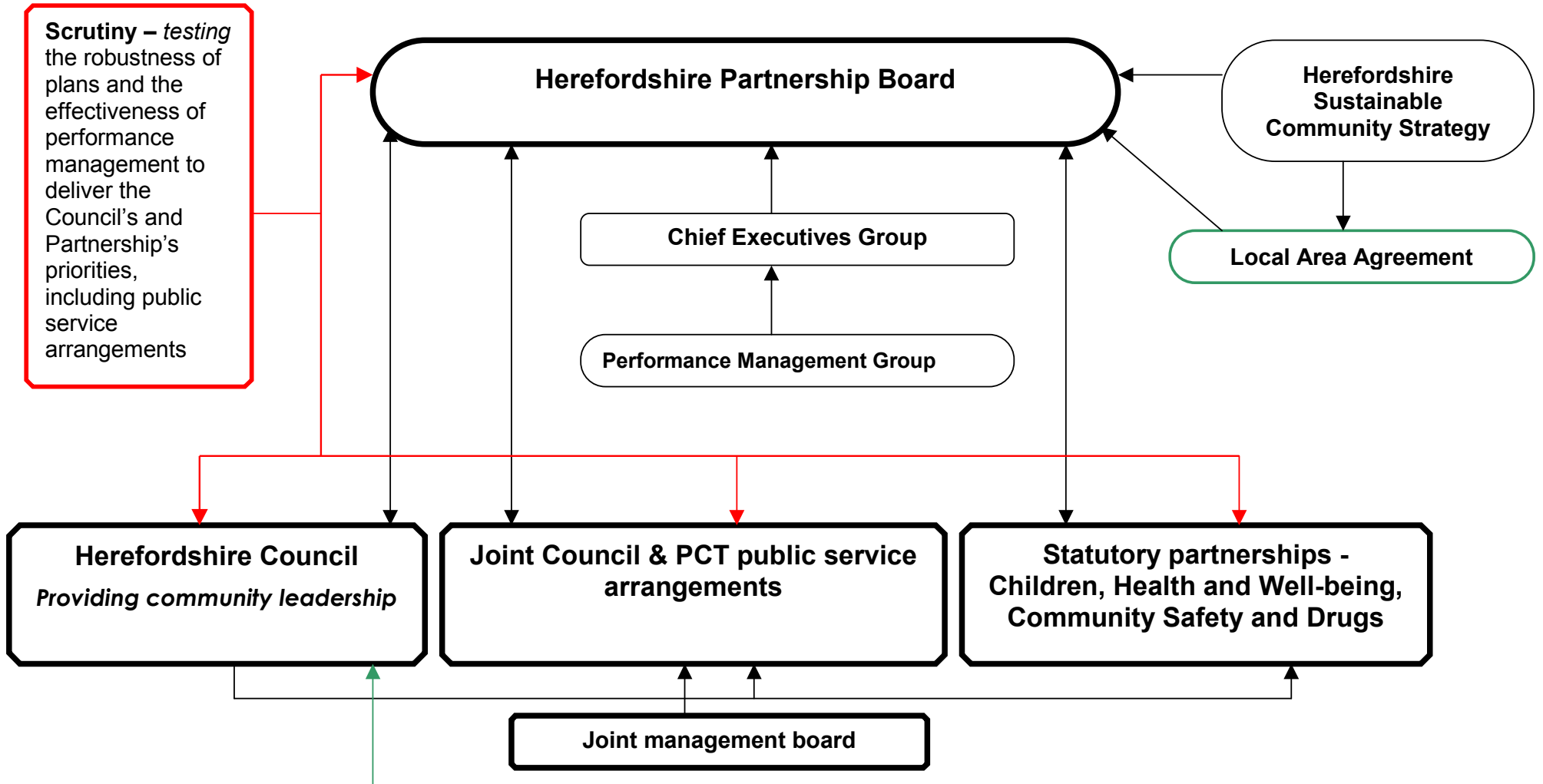
HSCS themes	The Corporate Plan themes	The Council's top priorities	LAA priorities
<b>Children and young People</b>	<b>Children &amp; young people</b>	The best possible life for every child, safeguarding vulnerable children and improving educational attainment	<ul style="list-style-type: none"> <li>● To encourage and enable children and young people in Herefordshire to achieve their potential and participate in positive activities</li> <li>● To improve participation in, and achievement for, young people in education, employment and training post 14</li> </ul>
<b>Healthier communities and older people</b>	<b>Health and well-being</b>  <b>Older People</b>	Reshaped adult health and social care, so that more older and other vulnerable people maintain control of their lives	<ul style="list-style-type: none"> <li>● Encourage and promote a healthy lifestyle with particular attention to: Reducing smoking, levels of obesity and excessive consumption of alcohol</li> <li>● Help vulnerable people to live safely and independently in their own homes</li> </ul>
<b>Economic development and enterprise</b>	<b>Economic development and enterprise</b>	The essential infrastructure for a successful economy, enabling sustainable prosperity for all	<ul style="list-style-type: none"> <li>● To improve access to integrated public and community transport, reduce traffic congestion and encourage alternatives to car use</li> <li>● Increase the economic potential of the county with a particular regard to higher skilled and better paid jobs</li> <li>● Increase access to learning and development at all levels, and increase participation, in order to raise achievement, address worklessness and improve workforce skills</li> </ul>
<b>Safer and stronger communities</b>	<b>Safer &amp; Stronger communities</b>	Affordable housing to meet the needs of local people	<ul style="list-style-type: none"> <li>● Further reduce the low levels of crime, disorder and anti-social behaviour in the county and reduce any disproportionate fear of such.</li> <li>● Increase safety for road users in the county.</li> <li>● Increase the availability of appropriate, decent and affordable housing</li> <li>● Improve the availability of sustainable services and facilities and access to them</li> <li>● Encourage thriving communities where people are able to influence change and take action to improve their area, regardless of their background.</li> <li>● Minimise domestic and commercial waste and improve recycling</li> <li>● Lead a local contribution to climate change reduction</li> </ul> <ul style="list-style-type: none"> <li>● To enhance the recovery from events that have significant and potentially long-term impacts upon the community through proactive and effective inter agency collaboration and co-ordination</li> </ul>
	<b>Organisational improvement and greater efficiency</b>	Better services, quality of life and value for money, particularly by working in partnership with the Herefordshire Primary Care Trust and other local organisations	

# Performance Improvement Framework



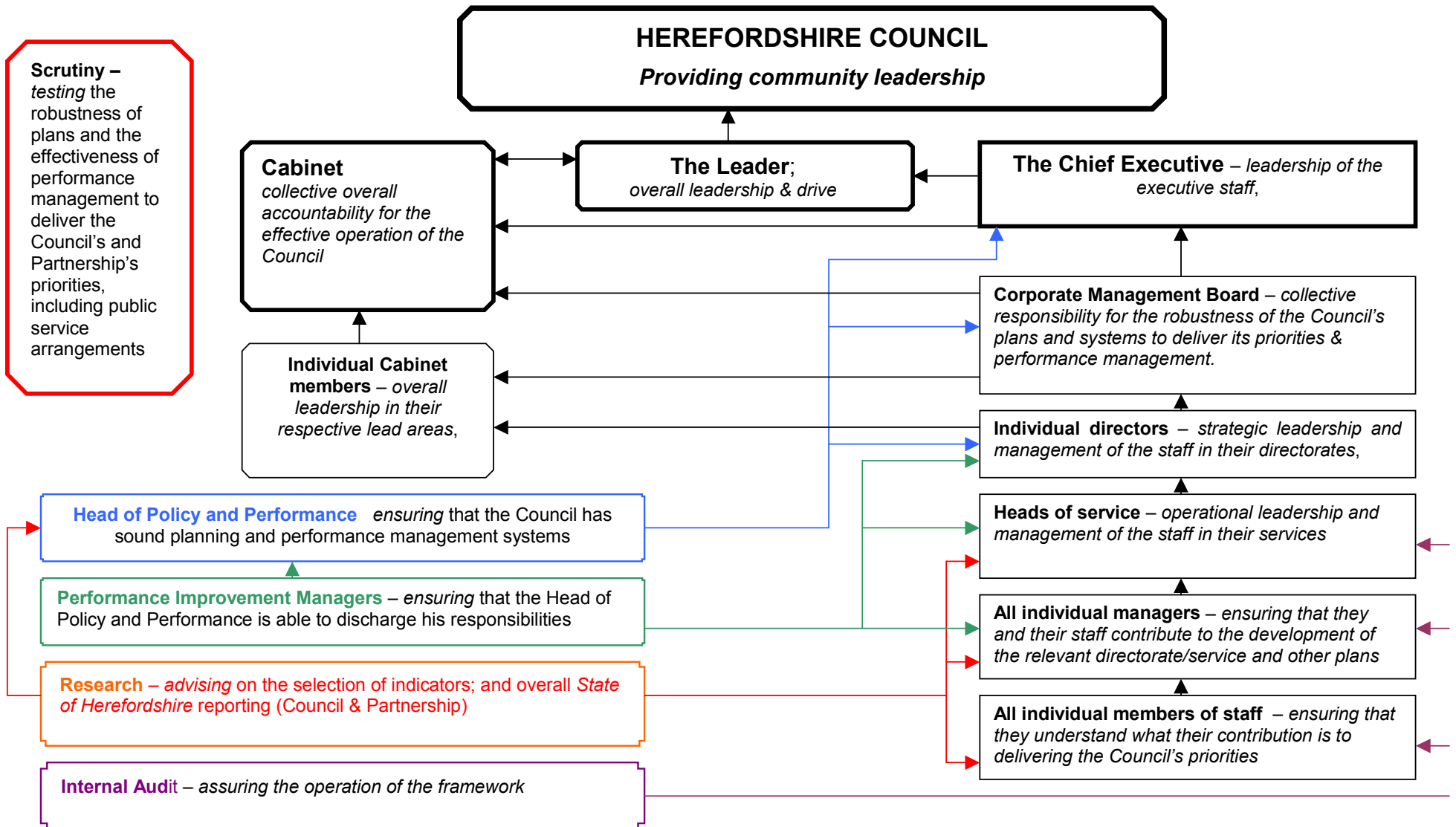
**Current planning and performance management relationships**

Appendix 5a



**Herefordshire Council roles and responsibilities**

**Appendix 5b**





## Performance Improvement Framework