

<b>MEETING:</b>	<b>CABINET</b>
<b>DATE:</b>	<b>12 JULY 2012</b>
<b>TITLE OF REPORT:</b>	<b>CORPORATE PERFORMANCE REPORTING</b>
<b>PORTFOLIO AREA:</b>	<b>CORPORATE SERVICES</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide

### **Purpose**

To agree the format for future performance reporting.

### **Key Decision**

This is not a Key Decision.

### **Recommendations**

**THAT:**

- (a) **the proposed format for performance reporting be agreed; and**
- (b) **the proposed outcomes and measures be agreed.**

### **Key Points Summary**

- Proposals for a revised format are intended to provide greater transparency of performance reporting and improve the quality of the information available to inform decision making
- There is a work programme in place to deliver further improvements through the course of the year

### **Alternative Options**

1. It is open to Cabinet to amend or revise the proposals; there may be cost implications to alternatives if measures are identified for which data is not currently collected.

### **Reasons for Recommendations**

2. Cabinet is asked to approve the outcomes and measures against which performance will be

reported to demonstrate the extent to which the corporate plan and corporate delivery plan are being achieved and the overall corporate health of the organisation. Quarterly reports will be presented to Cabinet on performance against these agreed projects and measures, and will help inform development of the Overview & Scrutiny work programme.

## Introduction and Background

3. The existing Integrated Corporate Performance Report (ICPR) provides Cabinet with a quarterly overview of performance against the annual corporate delivery plan; however a number of areas have been identified for improving both the comprehensiveness of performance reporting, and the usefulness and accessibility of the information reported.

## Key Considerations

### Current Position

4. The ICPR provides Cabinet with an overview of performance against the corporate delivery plan for all indicators monitored in that quarter (these vary each quarter depending on frequency of data availability) by showing the number and % ahead, at or behind target by corporate plan theme, together with the % of indicators showing improvement compared to the previous year. This information is expanded in appendices providing more detailed information on those indicators showing exceptional (positive or negative) performance.
5. In addition the report provides:
  - a summary of what has gone well/not gone well/mitigation actions by directorate
  - a summary of 'project' delivery to time
  - A summary of the projected over/underspend
  - Commentary re some specific 'customers' indications
  - Commentary re any Employee issues
6. Issues identified with the format of this report, both from consultation with the Chairman and Vice Chairmen of Overview & Scrutiny Committee, feedback from Members, and a recent internal audit review of the performance management framework include:
  - The large number of indicators being reported against
  - A lack of clarity about the relative importance of the indicators
  - Indicators are too often quantitative and process based rather than providing outcome and quality measures
  - There is no locality based performance information
  - Measures don't demonstrate the degree to which council policies or values are being achieved
  - An absence of visual trend data
  - Insufficient links between the financial performance and service performance data (a separate budget monitoring report is produced and this does not always coincide with the presentation of the performance report or demonstrate the link between allocation of resources and actual performance)
  - Data being presented by corporate plan theme but commentary being provided by directorate
  - Customer information currently focussed on the service provided by corporate customer services rather than the authority as a whole (and/or our service delivery partners)
  - Lack of clarity about service delivery partner performance
  - Insufficient links between risk management and performance

- Lack of clear employee information and the purpose for which this is provided
- Baseline targets not being set, or being set against unclear criteria
- Targets not being reviewed and, if circumstances warrant it, amended in year with a clear justification for the change being recorded

### **Proposed Format**

7. A copy of the proposed format for future performance reporting is attached at Appendix 2. Where relevant, data for the first two months of the year (to the end of May 2012) has been included; this is a 'work in progress' and will be further refined in light of the views of Cabinet and the ongoing improvement work set out in paragraph 13 below.
8. Drawing from the integrated evidence base and needs assessment considered by Cabinet on 14<sup>th</sup> June, a number of longer term outcome indicators have been identified and performance in relation to these will be reported annually (where the data becomes available in year this will be reported as well as being summarised in the year end report). In year performance reporting of progress made towards achieving these outcomes will be measured against a series of in-year proxy indicators and achievement of project delivery milestones as set out in the corporate delivery plan.
9. These outcomes will enable there to be a demonstrable link between council priorities delivery and performance.
10. In addition, there will be a series of indicators to enable an assessment of performance in 'managing the business'. These include specific measures relating to:
  - Service delivery (including that of service delivery partners' performance)
  - Customer experience
  - Workforce management
  - Finance
11. Any areas where an expected return has not been made will, for clarity, be listed as a non-return.
12. Attention will be drawn to the need to consider whether any targets need revision in year.
13. Work is also planned in the coming 12 months to further refine reporting to:
  - reflect locality performance in relation to the longer term outcomes
  - demonstrate the degree to which the council's policies and values are being achieved
  - develop the link between resource management (finance and workforce) and service performance information
  - building on the work of the LGA pilot project to develop a contract management toolkit, develop a common framework for monitoring the performance of service delivery contracts so that service delivery partner performance is clearly demonstrated
  - extend customer experience reporting to all services (including those delivered by service delivery partners)
  - widen access to the PerformancePlus reporting system to enable members to access performance information in a more timely way
  - develop the links between performance reporting and risk management

### **Assurance**

14. It is proposed that Cabinet will receive the annual report (year end performance report) in June

each year to coincide with the integrated evidence base report. There would also be three in-year reviews of performance (in July, November and February). To ensure focus is maintained of improvement, reporting will be by exception (i.e. milestones missed and/or changes in direction of travel).

15. Sitting beneath the overall corporate delivery plan are more detailed directorate delivery plans, and below those yet more detailed service delivery plans; performance monitoring and review of the measures within those plans is carried out on a monthly basis within directorates; directors also meet regularly with their respective cabinet portfolio leads to review performance; and directors and assistant directors meet quarterly to review and monitor corporate delivery plan and budget performance.
16. These plans also form the basis from which personal objectives for staff are established and against which individual performance is monitored, ensuring a clear “golden thread” between the council’s aims and what staff do.
17. Behind each identified outcome and measure is a record setting out the description of the measure, where the data comes from, how regularly it is available, the calculation, and an identified accountable owner for the data. This provides assurance that baseline targets are justifiable and capable of being monitored; and also can inform any necessary adjustment of targets in year to respond to changing circumstances.

## **Community Impact**

18. The proposed reporting arrangements will demonstrate how well the council is progressing to achieve its vision for the people of Herefordshire, and provide assurance that service quality, customer experience and value for money is being monitored both in relation to services directly provided by the council and to services provided by third parties on behalf of the council.

## **Equality and Human Rights**

19. Reducing inequalities are clearly articulated outcomes within the agreed corporate plan; the performance report will demonstrate the degree to which these outcomes are being achieved.

## **Financial Implications**

20. Alterations to the performance reporting framework have no financial implications.

## **Legal Implications**

21. Alterations to the performance reporting framework have no financial implications.

## **Risk Management**

22. The corporate plan and its delivery plan are integral elements of the council’s risk management framework. Risks associated with each objective and project are entered onto the relevant service or directorate risk register and escalated to the corporate register as appropriate. The corporate risk register is reviewed by the leadership team at the quarterly performance meetings and any significant risks are reported to Cabinet as part of the quarterly performance report.

## **Consultees**

23. The OSC Vice-Chair, Councillor EPJ Harvey, has commented on the proposed outcome and in-year proxy performance measures at Appendix 1. Some amendments have consequently been made to the proposed measures, while further work, including that outlined in paragraph 13, will continue so as to develop an improved set of performance measures for the future.

## **Appendices**

Appendix 1 Proposed Outcome Measures and Directorate & Corporate Service Performance Measures

Appendix 2 Proposed Corporate Performance Report

## **Background Papers**

- None identified.