

Agenda item:

Decision maker: Governance and Audit Committee, 27th January 2012

Subject: Performance Management Update (Quarter 2 2011-2012) - corporate performance in the transforming organisation part 2

Report by: Head of Audit and Performance Improvement

Wards affected: N/A

Key decision (over £250k): N/A

1. Summary

- 1.1 The 2011/12 quarter 2 performance management update presents to members the progress so far in the development of a new performance framework for the organisation.

2. Purpose of report

- 2.1 To outline the new approach to corporate performance management in Portsmouth City Council.

3. Recommendations

The Governance and Audit Committee are asked to note and comment on the progress in developing a new corporate performance management framework

4. Context

- 4.1 In the past decade, Portsmouth City Council has developed an approach to corporate performance management, strongly influenced by external factors as well as internal demands. The model had a strong emphasis on the evaluation of performance by monitoring baskets of performance indicators, often those which fed into external rating models such as the Comprehensive Performance Assessment (latterly the Comprehensive Area Assessment, or CAA).
- 4.2 In 2010, the Government announced the abolition of the CAA, signalling instead an intention to develop a more bottom-up approach to performance, driven locally by the provision of strong information to a local army of “armchair auditors” who would hold organisations accountable for delivery, although more traditional mechanisms would remain in areas such as children’s services and adult social care.
- 4.3 These developments meant that for the city council, it became important to shape a new model for performance management that reflected the way the

organisation works, and what it is trying to achieve, as well as genuinely driving improvement in service delivery and outcomes achieved. At the September meeting of the Governance and Audit Committee, a report was presented setting out some of the ideas and options for development of such a model. This work has now moved on to an extent where the model for the organisation has been defined.

5. A new performance model

5.1 Throughout October and November, Strategic Directors considered a number of reports relating to the development of a new performance model for the organisation. It was agreed that the previous model, based around the consideration of a pre-programmed single quarterly performance report which looked at lists of PIs was not likely to serve the requirements of the organisation in the future, and therefore it was agreed to move to a model characterized by:

- A clear expectation on Heads of Service for managing service performance, reinforced by active performance management activity by individual strategic directors
- A change in performance management activity at SDB level to a mixture of report types and agenda items, including:
 - Specific DMT-generated reports on a quarterly basis
 - Accompanying data reports setting Portsmouth's performance in context (for example using CIPFA Value for Money profiles)
 - Dashboards around priority areas
 - Detailed reports on other areas of concern or activity, for example, transformation, employee engagement or financial monitoring.

5.2 It is envisaged that at the end of each quarterly cycle, SDB will have a wash-up session to reflect on messages received and any action that needs to be taken. This will incorporate messages from DMT sessions, data reports, dashboards and any other relevant material considered in the quarter. A performance "action tracker" will be developed to ensure that actions requested are captured and their progress monitored, and this will be refreshed on a quarterly basis.

5.3 On a quarterly basis, key performance issues will be reported to members in a number of ways. Services will continue to update portfolio holders on performance against business plans or other plans as usual. The Cabinet will continue to receive the combined performance and finance reports, highlighting any issues of performance concerns gleaned from material considered in the previous quarter. The Governance and Audit Committee will receive a summary of the quarter's performance activity, and be specifically asked to comment on whether this activity appears to be addressing the identified performance concerns satisfactorily, and indeed, whether the performance concerns identified accord with their own understanding of the organisation at any given time.

5.4 In this way, it is hoped that the organisation will be having the right conversations at the right time about the things that the organisation is achieving and the manner in which it is doing so. The performance management framework is a key element

of our overall governance framework, and it is important that it is robust and effective if members are to draw assurance from it. It is expected that the new framework will be more responsive to the real concerns in the organisation, rather than to externally driven priorities and therefore engage officers and members more actively. It is also expected that the concentration on the respective roles of Heads of Service, Strategic Directors, the Strategic Directors Board as a collective and members will help with clarifying accountability in the organisation.

- 5.5 The framework will be as strong as the commitment given to it by officers and members, and the support of the Governance and Audit committee in driving the performance agenda forward will be invaluable. The committee will receive their first report in the new format at the conclusion of Quarter 3, 2011-12.

6. Business Planning

- 6.1 Business plans for services continue to be the bedrock of performance management in the organisation. The plans set out what it is that services are seeking to achieve, and how success should be judged. However, the planning framework has needed an adjustment to ensure that it fits with new organizational priorities and ways of working. Therefore, in early December, new business planning guidance was issued that set out requirements for streamlined business plans, framed within an “Understand, Plan, Do, Review” commissioning model. Services have been asked to prepare their plans in line with this model, setting their service priorities and measures of success accordingly.
- 6.2 However, recognising the fact that business plans should also reinforce the idea of one organisation pulling together in the same direction, all services have been asked to identify service priorities around good governance, and around corporate transformation. In order to support services in this work, the Annual Governance questionnaire has been redesigned to be more meaningful for services.

7. Areas for further development

- 7.1 There is an unbreakable link between organizational performance and the performance of the individual members of staff, and it is therefore important in any framework that individual performance management is a key component. Following recent work by the Employment Committee, work is now underway to strengthen the performance development review process across the organisation.
- 7.2 It is also important that we think about how we derive information on which we form judgments about performance and base decisions around actions. The Shaping our Future transformation programme includes a workstream on knowledge management, and work on performance management will closely track the developments of this workstream.
- 7.3 The knowledge management workstream will also be looking at our provision and presentation of information, both in line with the Government’s Transparency Agendas, but also in the interests of sharing a strong evidence base about the council and the city. This links directly with a point made in the previous

performance update about the need to think about the presentation of performance information for internal and external audiences. At that meeting, members of the Governance and Audit Committee helpfully offered to form part of a working party looking at information provision, and this is an offer that will be taken up as the work develops.

8. Equality impact assessment (EIA)

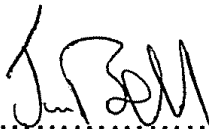
8.1 An Equality Impact Assessment will be carried out alongside the development of the new framework to ensure that full consideration is given to equality issues.

9. Head of legal services' comments

9.1 The report has incorporated legal implications and accordingly there are no other immediate legal implications arising from this report.

10. Head of finance's comments

10.1 There are no financial implications to bring to member's attention at this stage. However, it should be noted that there could be further financial implications following further exploration of any of the performance issues raised in this report, and related future reports could result in financial implications. These will be flagged to members at the appropriate time.



.....
 Signed by: Jon Bell, Head of Audit and Performance Improvement

Appendices: None

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
1. Various emails relating to performance data	Strategy Unit
2. Corporate Plan 2010 - 13	www.portsmouthcc.gov.uk

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by Governance and Audit Committee on 29th September 2011.

.....
 Signed by: