Report to: *Policy & Review (Performance) Panel (14th December 2004)*
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A strategic approach to performance management in Portsmouth City Council

1)   Purpose
1.1   To propose a strategic approach to performance management for Portsmouth City Council.

2)   Recommendations:
2.1   The Policy & Review (Performance) Panel is recommended to:
   1. agree in principle the strategic approach to performance management in Portsmouth City Council, outlined from page 2 onwards

   2. agree:
      a) the roles of individuals and officer and member groups, outlined in section three, specifically that the strategic policy, partnerships and performance management box should report quarterly to the Policy & Review (Performance) Panel, and the Executive, on performance issues considered by the Strategic Directors Board in the previous quarter

      b) the suggested process for involving members more closely in the development of the corporate scorecard (see section 5)

   3. note the suggested action plan outlined in section six of the report and suggest any additional performance management actions that they would like undertaken in the next year

3)   Background
3.1   At a meeting of the Strategic Directors, it was noted that there was a need to clarify the approaches taken to performance management in the authority. In particular there was felt to be a need to understand :
   • the key elements of the overall performance management framework and how it all fits together
   • the roles, responsibilities and relationships of officers and members in relation to performance management.

3.2   The Moving Towards Excellence Review provides a good opportunity to consolidate the good performance management practice in the authority and address some areas of weakness. The attached Strategy for Performance Management sets out :
   • a clear framework for Performance Management in Portsmouth City Council (sections 2.1-2.3)
   • descriptions of each of the elements of the framework (section 2.4 – 2.57)
   • the balance of responsibilities between the corporate centre and directorates (Section 3, Table 1)
   • the roles and responsibilities of specific officer and member groups (Section 3.3 – 3.22)
   • the workflow through the performance management framework, including the relationship with external partners (section 4.1 – 4.3)
   • the timetable for process development (section 4.4)
   • the draft overall timetable for performance management processes (appendix 1)

A strategic approach to performance management for Portsmouth City Council

"Organisations that work at performance management…are much more likely to provide good services to local people. They concentrate on the services that matter most and are quick to identify problems, find solutions and take action to improve performance." - Audit Commission

Section One : What is performance management?

1.1 Performance Management is about practical ways of improving how we do things in the organisation to achieve our objectives. In our case, the main objectives are given in the Community Strategy, other strategies, business plans of each service and the standards set by government. It needs to be remembered that performance management is not an end in itself, and the only purpose of performance management is to actually improve services and quality of life for local people.

1.2 Performance management is not any single system or approach, but is rather the integrated processes, including business planning, that enable an organisation to know:

- ♦ what they need to do to respond to pressures and opportunities
- ♦ what they are trying to achieve and how they will do this
- ♦ what their priorities are
- ♦ whether they are making progress against what they are trying to achieve
- ♦ how they will respond to lack of progress in certain areas
- ♦ what an individual's role is in achieving service and organisation objectives

1.3 Portsmouth City Council has a well-established framework for managing its performance which consists of a number of different elements, and links well with the performance management framework relating to the Community Strategy and other cross-cutting strategies. The Moving Towards Excellence Review presents a great opportunity to review and strengthen this framework, to ensure that we align ourselves in the best possible way to ensure that our strategic performance management framework works as well as it possibly can.

Section Two : Performance Management in Portsmouth City Council

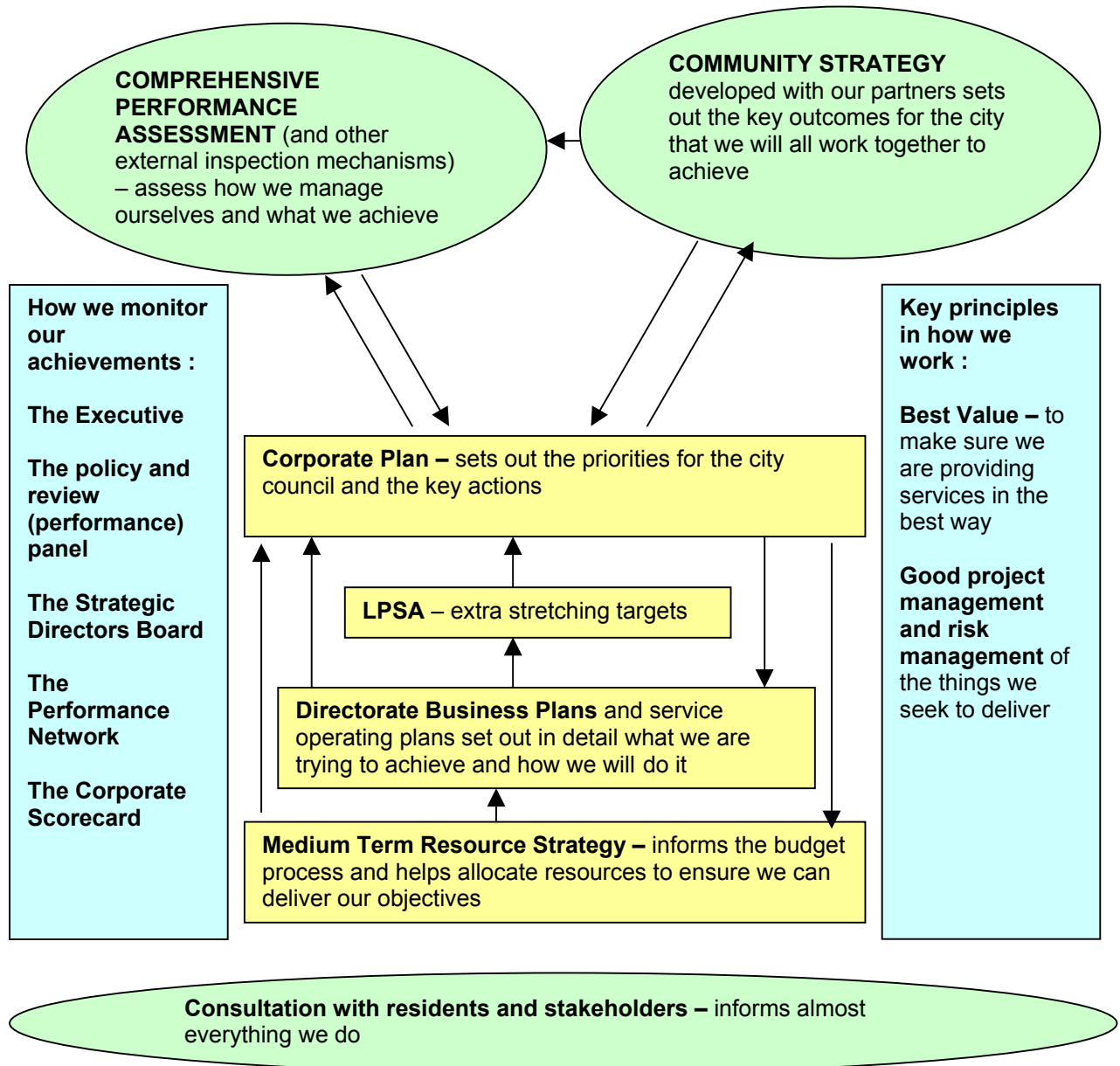2.1 Portsmouth City Council's framework for managing performance is based on a number of different elements. We have:

- key objectives, clearly articulated, that we want to deliver, both in terms of outcomes for residents and the way we want to be as an organisation
- plans for achieving these things
- principles that we adhere to in all of our work
- ways of monitoring how we are doing, and deciding what more we can do to bring about improvements

2.2 The framework includes:

- the Community Strategy, which sets key outcome targets for the seven priority themes. The Community Strategy was developed by the LSP, and endorsed by PCC, and takes account of national requirements. The Community Strategy document is supported by a series of more detailed delivery plans, each championed by theme partnerships.
- the Corporate Plan, which sets out the priorities for the city council, including those from the Community Strategy, and the key actions we will take to help achieve our priorities. This performs the function of the statutory Best Value Performance Plan, and includes performance against the Best Value Performance Indicators
- detailed data from consultation and analysis such as satisfaction data from the MORI surveys of information on the needs of client groups in Portsmouth
- business plans currently prepared by each service describing what they want to achieve, how they will achieve this and their measures for assessing progress
- staff appraisals that include objectives that should link into the business plans and individual training plans linked to business objectives
- corporate scorecards of performance measures that are considered on a regular basis. These scorecards look at progress against key measures of service and corporate performance on a monthly, quarterly, termly and six monthly bass
- Best Value reviews that look in detail at themes or individual services and which propose improvement plans to improve our performance
- the Comprehensive Performance Assessment process, which includes an overall score for the authority as well as a detailed corporate assessment. A key element of the CPA process is the implementation of an improvement plan that details how we intend to deal with 6 key areas of weakness and our plan to achieve Excellent status.

2.3   All of these things fit together as one overall process for ensuring we are doing as well as we possibly can:

Figure 1: The overall performance management framework in Portsmouth City Council

COMPREHENSIVE PERFORMANCE ASSESSMENT (and other external inspection mechanisms) – assess how we manage ourselves and what we achieve

COMMUNITY STRATEGY developed with our partners sets out the key outcomes for the city that we will all work together to achieve

How we monitor our achievements :

The Executive

The policy and review (performance) panel

The Strategic Directors Board

The Performance Network

The Corporate Scorecard

Corporate Plan – sets out the priorities for the city council and the key actions

LPSA – extra stretching targets

Directorate Business Plans and service operating plans set out in detail what we are trying to achieve and how we will do it

Medium Term Resource Strategy – informs the budget process and helps allocate resources to ensure we can deliver our objectives

Key principles in how we work :

Best Value – to make sure we are providing services in the best way

Good project management and risk management of the things we seek to deliver

Consultation with residents and stakeholders – informs almost everything we do

It is helpful to understand some of these elements in a little more detail:

The Corporate Scorecard

2.4   A key feature of the development of performance management in Portsmouth City Council has been the emergence of a method of monitoring performance indicators known as the "scorecard".

2.5   The scorecard is an Excel based system, which allows us to monitor performance against indicators and identify performance trends and variances between targets set and performance. The scorecard forms the basis for a great deal of performance monitoring.

2.6   The indicators that will be monitored in 2004/5, and the intervals at which they will be monitored at a corporate level, were selected by the Policy and Review (Performance) Panel in April 2004, and accepted by the Executive. The indicators are a mixture of statutory performance indicators and local indicators. The information is presented in numerical and graphical form for ease of monitoring, and each month a summary of recommended action is presented to the Performance Network, who will report what actions it takes to the Strategic Directors Board.

2.7   The scorecard will be developed further for 2005/6, to allow for closer links with the business plans, and for more involvement of members. These plans are set out at the end of this report, in Section 5.

       The Comprehensive Performance Assessment

2.8   Comprehensive performance assessment is the Government's tool for assessing the performance of local authorities. CPA looks at how well the council delivers some core services and manages itself, to arrive at an overall assessment.

2.9   The core services assessed are:
       ♦ **Education –** rating derived from the OFSTED inspection
       ♦ **Social Services –** rating taken from the star ratings
       ♦ **Environment –** rating taken from inspections and Best Value Performance Indicator (BVPI) scores for transport, waste management and planning
       ♦ **Housing –** rating taken from BVPIs and inspections
       ♦ **Leisure and libraries –** rating taken from BVPIs and inspections
       ♦ **Benefits –** rating taken from BFI inspection
       ♦ **Use of Resources –** rating taken from BVPIs and Auditor's Judgement

2.10   Information is fed into a formula to derive a score, and overall, our services were judged as **GOOD** in 2002, and to have improved in 2003. The next CPA update will be in December 2004.

2.11   The council's corporate management was assessed in 2002 by an inspection, and will probably be reinspected in 2005/6. The inspectors considered four key questions:
       ♦ What is the council trying to achieve?
       ♦ How has the council succeeded in delivering its priorities?
       ♦ What has the council achieved/not achieved?

♦ In light of what has been achieved, what does the council plan to do next?

2.12 As a result of the inspection, the management of the authority was assessed as **GOOD** too.

2.13 In order to achieve excellence, the authority has drawn up an improvement plan to address key areas of weakness, which include:
♦ *Housing Benefit*
♦ *Clean and Tidy City*
♦ *Performance Management*
♦ *Priority driven corporate resource management*
♦ *Medium term communication strategy*
♦ *Project and risk management*

2.14 This improvement plan is monitored as part of the overall corporate programme for performance monitoring. Each year, the Audit Commission refresh the scores for the authority, based on new performance information available, and report on how the authority is doing. The last report from the Commission was broadly favourable, and concluded that *"Based on Portsmouth City Council's current plans, the council is well placed to improve further the way it works and the services it provides to local people."*

2.15 The next major rescoring of how the authority is managed will probably take place in 2005/6, and will be carried out under a changed framework.

The Community Strategy

2.16 Portsmouth City Council is part of the Local Strategic Partnership (LSP) for Portsmouth. The LSP aims to transform how the city tackles big issues that affect everybody, such as health, crime and the environment. The LSP brings together key players from the voluntary and community sector, public sector and business to tackle important local issues through effective partnership working. In total, there are 32 members of the LSP.

2.17 One of the main tasks for the LSP has been to agree a Community Strategy for Portsmouth, to cover the period 2004-2009 and to show what key agencies will do to improve the quality of life for people in Portsmouth. The strategy was based on a wide variety of public consultation that was carried out to establish the key priorities of people in the city. The "strapline" vision for the Community Strategy is "Proud of our past: ambitious for our future." The Strategy lists a number of outcomes that all members of the partnership will strive to achieve, and for each of these outcomes, there are some specific, measurable targets that will be used to track progress. Partnerships have been set up to oversee progress for each of the key themes, and

to prepare detailed delivery plans to drive progress towards the outcomes we are seeking to acheive.

2.18 The City Council has decided to adopt the same vision for the City as the Local Strategic Partnership. As well as the strapline vision, there are the following outcome statements:

We want to create a Portsmouth that
- enables us to value and respect each other and our environment, enjoying lives free from the fear of crime
- offers high quality education and lifelong learning opportunities
- attracts and fosters a range of jobs for a skilled workforce within a vibrant and dynamic culture, while protecting those not in work
- treasures and sustains a safe, healthy and attractive environment
- provides decent affordable homes and support where necessary
- celebrates individual confidence and good health
- promotes friendliness, tolerance and inclusivity, giving everyone a voice that matters

2.19 The LSP has the key responsibility for monitoring achievement of the Community Strategy, but it will monitor many of the same things that the City Council will, and therefore the frameworks for monitoring need to be integrated.

Local Public Service Agreement

2.20 Portsmouth City Council signed a Local Public Service Agreement (LPSA) in July 2002. The LPSA is an agreement between central government and a local authority whereby the authority commits to stretching some of its targets and central government says it will reward the local authority if it achieves these stretch targets. Portsmouth's LPSA runs until the end of March 2005, and we have chosen 13 areas to have stretch targets in. The overall theme of the agreement is children and young people, and the targets relate strongly to the council's corporate priorities.

PORTSMOUTH'S LPSA TARGET AREAS
- Increase the % of 14 year olds at or above the standard of literacy, numeracy, science and ICT for their age
- Increase the % pupils obtaining five or more GCSEs at grades A*-C or equivalent
- Increase the % pupils obtaining five or more GCSEs at grades A*-G, including English and Maths, or equivalent
- Increase the number of lone parents getting sustained jobs in the city of Portsmouth
- Improving the life chance of children in care of Portsmouth City Council by a) improving educational attainment b) reducing the number of looked after children absent from school
- Reduce the rate of reconvictions of all young offenders and the number of young offenders within the youth population

- ♦ Reduce the number of people, and specifically the number of children, killed or seriously injured in road accidents on the roads of Portsmouth
- ♦ Reduce the incidence of accidental fire related deaths in the home
- ♦ Achieve savings in excess of the 2% year on year efficiency savings required by Best Value
- ♦ Increase the % of 7 year olds at or above the expected standard of reading, writing and numeracy for their age
- ♦ Increase the proportion of post-16 school leavers that access further education, training or job related training when they leave school
- ♦ Improve the average processing time of new Housing Benefit and Council Tax Benefit claims
- ♦ Promote healthier lifestyles in children and young people by increasing participation in physical activity amongst primary age children, and ensuring looked after children access appropriate medical care

2.21 To help us achieve the targets the Government have relaxed some requirements on us and also given us a pump-priming grant of just under £500,000 to be spent over three years of the agreement. If we fully achieve all our targets, we will receive a performance reward grant of £4.3m over two years. Each target is assessed independently, such that if the authority achieves the target it receives £335,000 over two years (Portsmouth will not achieve all of its targets).

2.22 PCC has been invited to bid for a 2nd generation LPSA and our initial submission of suggested improvement targets was submitted to the ODPM at the end of September.

The Corporate Plan

2.23 The Corporate Plan outlines the priorities of Portsmouth City Council and how we intend to improve. It brings together in one place our aims, core values and key corporate priorities, and shows how the city council contributes to the vision for the city of Portsmouth outlined in the Community Strategy. The plan, along with the Medium Term Resource Strategy and our business planning process, helps ensure that our resources are aligned to our priorities.

2.24 The corporate plan is a rolling 3 year plan that will be regularly updated. The first update is due to be published this Autumn.

2.25 By providing a focus on priorities, the plan will bring about real change through the corporate efforts of the city council, both working on its own and in partnership. It is therefore important to recognise that the Corporate Plan is a working document that exists to make sure the whole authority works towards a common purpose.

2.26   The plan identifies the major pressures and drivers for change and says what key actions we will take to respond. The Plan meets the statutory requirement to produce a Best Value Performance Plan, and is therefore a publicly available document.

Business Planning in Portsmouth City Council

2.27   Business Plans are the documents that set out how each directorate in the authority will develop in the medium term in such a way that supports the achievement of the corporate plan and especially the Community Strategy.

2.28   Portsmouth City Council has set itself some very broad objectives. These are concerned with both the outcomes we are delivering to residents in the city, and also with the internal management of the authority.

2.29   The business plans give a clear idea of the priorities of the directorate, related to the corporate objectives, supported by unambiguous, measurable targets that are challenging but realistic, taking into account the context, including past trends.

2.30   The plans show that risks have been considered and are being properly managed, and that the resources and capacity exist to ensure the achievement of the plan.

2.31   PCC follows a single business planning process using the same terms in a consistent way across the authority. We build on the planning that has been done in the past and refer to existing cross-cutting strategies and plans. Business plans include:

   ♦ *A statement of purpose for the directorate*
   ♦ *A vision for the directorate*
   ♦ *A review of the external and internal issues that will have an impact on the directorate*
   ♦ *The outcomes that the directorate will deliver, and how these will be measured*
   ♦ *Key targets for the coming year*
   ♦ *Outline strategies for delivering the outcomes*
   ♦ *Contributions to corporate objectives*
   ♦ *Resources and capacity that the directorate has to deliver its objectives*
   ♦ *Risk assessment*
   ♦ *How performance against the plan will be monitored*

2.32   The planning process is the basis for our integrated performance management framework, as the details of how we will achieve all of the things we are trying to achieve will be contained within these

documents. Each year, guidance is produced for the business planning process and this year's guidance has been approved by the Strategic Directors.

Best Value

2.33   Best Value was introduced by the Government in 1999 as part of the Local Government Act. It is a way of improving the lives of local people by changing the way we provide services in both big and small ways. This is achieved by reviewing how we deliver our services to ensure that we are providing local people with what they want, when they want it and at a price they are willing and able to pay.

2.34   Best Value Reviews are carried out according to 4 Cs. These are:

♦ ***Challenge –*** why and how a service is provided

♦ ***Compare –*** how we perform with other councils and service providers to see where we can improve, and how services can be provided in better ways

♦ ***Consult –*** local taxpayers, service users, partners and the wider business community about what they want from our services

♦ ***Compete –*** wherever practical, fairly and openly to provide the best services

2.35   In Portsmouth City Council, we carry out a number of reviews each year. These range from "themed" reviews of our corporate priorities (such as Environment and Transport and Crime and Disorder) which are corporately managed, all the way down to short reviews of individual tasks or activities, usually carried out by the relevant service. In 2004, the Council will be carrying out Best Value Reviews of :
♦ Crime and Disorder
♦ IT services
♦ Education and Lifelong Learning
♦ Financial Services

2.36   At the end of every review carried out, an Improvement Plan sets out demanding targets for improvement, with a clear action plan for how they are to be achieved. Monitoring how we take forward the Improvement Plans is an area where we need to improve.

2.37   The principles of Best Value are nothing new – they are just good management practice that any business needs to carry out if it is to be successful. Best Value is integrated into the day-to-day work of the council, and underpins the delivery of all services.

2.38   The city council also reports performance every year against a set of Best Value Performance Indicators (BVPIs), set by the Government.

There are approximately 110 of these indicators, covering a range of the authority's activity. The indicators are published, as required by legislation, in the Corporate Plan. These indicators allow people to compare the performance of Portsmouth City Council over time, and with that of other authorities. The Best Value Performance Indicators form part of the CPA scoring, and are subject to a detailed audit process. It is therefore important that the authority returns them in a timely fashion, to a high standard, and achieves a good standard of performance against as many as possible. Therefore we must try to embed the most significant of these through our planning and monitoring process.

Medium Term Resource Strategy

2.39   The City Council sets its budget annually but to help ensure that it is able to plan effectively for the future, we have for some time had a Medium Term Resource Strategy to make sure we are able to fund our priority areas.

2.40   In 2003/4, the council undertook a major review of the Medium Term Resource Strategy. This was one of the key priority activities which we agreed we would undertake in response to the Comprehensive Performance Assessment in 2002.

2.41   A process was developed in which individual blocks of service expenditure were scored against a range of criteria. The major criterion was the contribution that a particular block of service expenditure made to the Community Strategy themes.

2.42   Other criteria included the pressures facing that service, whether there was a particular performance issue that needed addressing and whether there was going to be a change in demand or requirements.

2.43   On the basis of these overall scores, each service was allocated a percentage increase or decrease in their budget for the next year. Meetings were held with services to discuss what the impact of this change in budget would be and whether there were other factors that needed to be considered. The scores and budget impacts were discussed and agreed with members.

2.44   Over the course of 2004/5, the process will be improved so as to better shift resources towards our priorities.

Consultation

2.45   As an authority, we have to understand and respond to our customers, if we are to put them at the heart of everything we do.

2.46   We need to consult because:
   ♦ our organisation has chosen, through it's core policies and general approach, to be customer focused
   ♦ local people are less likely to accept poor quality services or decisions they disagree with (79% want us to make more effort to find out their views)
   ♦ councils must act on the results of consultation

2.47   Legislation, including that around Best Value, makes it our duty to consult local people on all aspects of our services. More than that, we have to be able to demonstrate that we have acted on what we have found out, and improved our services as a result.

2.48   As an organisation, we are consulting all the time with customers, using a variety of methods. The Strategy Unit has taken an overview of consultation across the council, and provided support, ensuring that high quality customer research is carried out and that the results are acted upon. This was to ensure that:

   ♦ the council and its partners have effective strategies in place to address Portsmouth peoples' priorities, particularly meeting the needs of disadvantaged and hard-to-reach groups
   ♦ all sections of the community are reached by consultation, and are communicated with effectively
   ♦ all people have equality of access to, and equal satisfaction with, all city council services

2.49   The findings from consultation are a vital method of monitoring the performance of the council, because it lets us know if what we are doing is really having a positive impact on the quality of life for people in the city, and if residents are satisfied with the service we're providing. Strategic Directors and members will be informed on a regular basis of the results of some key corporate consultation:

   ♦ **MORI Residents Surveys / Citizens' Panel survey –** these are surveys of large numbers of households conducted for us by MORI, the market research company. The MORI surveys inform a great deal of the council's work, and help us to understand the residents' priorities.
   ♦ **Valuing Diversity –** this was a specific survey aimed at finding out the views of black and minority ethnic residents of the city, which our other surveys often do not fully represent. Community representatives were trained as researchers to overcome some of the barriers to consulting, and the results have been used to develop actions that will improve the services we provide to residents from black and minority ethnic communities.

♦ **Best Value Survey –** We are required by the Government to carry out surveys every three years to find out satisfaction in some key areas, where our performance is compared with that of other authorities. The results of this survey forms part of the Best Value Performance Indicator set, as well as providing us with information about some other issues.

Project and Risk Management

2.50   The way we manage projects and risk in the authority has been identified as key improvement areas for the way the authority works. These issues both feature in the improvement plan drawn up by the authority to respond to the Comprehensive Performance Assessment. Recently, the reports on the Spinnaker Tower have meant that these issues are being dealt with as high priorities for the authority. A significant recommendation of the Moving Towards Excellence Review was for a team to be developed responsible for improving the approach to projects and risk across the authority.

2.51   *PROJECT MANAGEMENT -* Portsmouth City Council has an agreed structure for managing major projects, and this is currently being developed to incorporate all projects.

2.52   The process adheres to recognised good practice principles for project management, and requires that all major projects must have:
♦ A project sponsor to propose and guide the project
♦ A project manager, to manage and deliver the project within specified cost, time and quality boundaries
♦ A project review board, to provide support and guidance to the project manager as a "critical friend" – the Review Board uses its collective experience to question and challenge the project at key points with the aim of identifying areas of weakness, and to ensure they are promptly and adequately addressed

2.53   The Review Board must meet at the conclusion of each of the project's stages to satisfy itself that the stage has been satisfactorily completed, or to identify what needs to be undertaken before approval is given to proceed to the next stage. The Review Board has the authority to halt a project at a checkpoint until it is satisfied that all of the requirements are being met.

2.54   In order to support this structure, training is being provided throughout the authority to ensure that sufficient skills exist to manage successful projects.

2.55 ***RISK MANAGEMENT-*** The authority has agreed a framework for risk management in the authority. The framework requires that:

♦ all services identify and assess their key risks as part of the business planning process

♦ all services identify the control mechanisms that will be put in place to reduce the risks

♦ a corporate risk register is developed to monitor the biggest risks to the authority

2.56 Clearly, project management and risk management are closely linked issues. If the authority is to be as successful as it can be, it is important that we put the right processes in place to deliver on major projects, and make sure that we understand the risks involved in our work, and put in place robust methods to manage them. Dealing with these issues will be key objectives for the new corporate team.

2.57 For the overall framework to provide an effective way of managing our performance, there are a number of roles and responsibilities that must be undertaken. Some of these reside in the corporate centre and some of them must be carried out within directorates. There are some responsibilities that are with officer bodies and other important roles for members. To be effective, the relationships between everyone involved must be very clear.

Section Three : Roles, responsibilities and relationships in the Performance Management framework

3.1   As the authority moves to a new way of working in a new structure, it is important to define what will be carried out as a central function, mainly through the strategic policy, partnerships and performance management unit, and what will be a function carried out within directorates:

Table 1 – Performance Management Roles and Responsibilities in PCC

Central	Directorate
♦ Manage the input and response to the CPA ♦ Support the Corporate Scorecard ♦ Negotiate and monitor the Local Public Service Agreement ♦ Lead on cross-cutting best value reviews and manage a review programme ♦ Support the corporate performance management groups eg. Strategic Directors Board and Performance Network ♦ Provide challenge on areas of underperformance, and support to improve ♦ Corporate research on the impact of key initiatives ♦ Co-ordination of Best Value Performance Indicator set and input national developments ♦ Produce guidance and provide support for the business planning process ♦ Develop and monitor performance against the Corporate Plan	♦ Establish robust performance management arrangements that directly link to corporate performance monitoring especially on CPA, LPSA, BVPIs etc. ♦ Establish arrangements to support departmental performance information requirements ♦ Identify and deliver action plans to bring underperformance back on target ♦ Drive continuous improvement by using peformance measures, benchmarking, process analysis and improvement ♦ Contribute to the work of corporate groups such as the SDB and Performance Network ♦ Develop and monitor a directorate business plan, and operating plans for "boxes" ♦ Deliver priority improvements in the corporate plan ♦ Ensure mechanisms are in place to provide clear links between the work of the service and the individual, through mechanisms such as performance appraisal

3.2   However, as an important part of the "checks and balances" needed in the authority, and to provide the overall strategic direction that our performance management framework should be enabling us to move in, there is a need for some monitoring groups to ensure the necessary roles are being undertaken.

Strategic Directors Board

3.3   The key officer body driving performance management in Portsmouth City Council is the Strategic Directors Board. This board has taken over the responsibilities of the Performance Management and Improvement Board, which was set up in 2002 to address a key recommendation of the Best Value Review of Corporate Management Arrangements, and which has provided a successful basis for developing performance management in the authority.

3.4   The principal objectives of the Strategic Directors Board, in relation to performance management, are to champion and drive performance management across the city council, and to encourage continuous improvement.   As defined in the terms of reference for the group, the Strategic Directors Board will:

♦   Monitor, evaluate and improve the performance management arrangements within the city council
♦   Track corporate performance indicators and identify where performance is causing concern because it is falling, static or targets are consistently missed
♦   Challenge performance where it is causing concern by asking the appropriate service head to describe the performance and to provide plans to secure improvements

3.5   The Strategic Directors' Board will, by its very nature, have a strategic focus. It is therefore necessary to ensure that the directors' board has confidence that the mechanisms are in place to deal with some of the less strategic performance issues formerly dealt with by PMIB, such as under-performance on performance indicators. These issues will be dealt with by the Performance Network.

The Performance Network

3.6   The Performance Network will comprise members of the Strategy Unit and performance management representatives from each directorate to develop the performance agenda on behalf of the Strategic Directors. They will produce a regular report to the Strategic Directors, and also ensure that good practice and lessons learnt are shared around the authority.

3.7   This will mirror the arrangements in place for other corporate issues such as consultation and equalities, and link with the principles of corporate working being promoted through the Moving Towards Excellence review.

Directorate Management Teams

3.8   The main responsibilities for managing performance within directorates are with their management team. It is expected that the management teams will be producing business plans for the directorate and operating plans for "boxes" and reviewing regularly performance against these. It is also for the directorates to ensure that individuals receive regular feedback on their performance, and are clear where they contribute to the objectives of the organisation.

The role of "theme owners"

3.9   The role of corporate theme owners did not work as well as was expected last year. The new directorate structure, bringing together many of the council services for each theme, and the strengthened left hand boxes should help improve the effectiveness of theme owners. The Strategic Directors Board have already agreed that the corporate priority theme owners should be :

- Community Safety – Strategic Director for Economy, Culture & Community Safety

- Education & Lifelong Learning – Strategic Director for Education & Lifelong Learning

- Economic Wellbeing - Strategic Director for Economy, Culture & Community Safety

- Environment & Transport – Strategic Director for Environment & Transport (initially the interim director)

- Housing – Strategic Director for Health, Housing & Social Wellbeing

- Health & Social Wellbeing – Strategic Director for Health, Housing & Social Wellbeing (initially the interim director)

- Community Involvement – Head of Community Involvement, Empowerment and Development box

3.10   The Strategic Directors Board also agreed that where a head of a box clearly owned the whole agenda of the Community Strategy theme then it may be appropriate to delegate the theme owner role to that person. For example the Community Safety theme could be delegated to the Head of Community Safety. It was agreed that any delegation would need to be formally agreed by the Strategic Director early in the business planning process. The Strategic Directors Board asked that the actual role of theme owners should be further discussed when they discussed the overall performance management framework.

3.11   Theme owners should still negotiate with the other strategic directors what the contribution of that directorate to their theme should be. This should involve an evaluation of what is currently being delivered as well

as what should be delivered. It is vitally important that the process is sufficiently robust with real negotiations about contributions. This would mean that theme owners should challenge, where necessary, what other directorates are proposing to ensure that it is helping to achieve the Community Strategy outcomes. Without the challenge, and negotiations, the process becomes a data gathering exercise and we do not ensure that we are meeting outcomes in the most effective way.

3.12   With the 5 new strategic directors this process should be significantly easier to manage than the proposed process for last year. This process will allow strategic directors to report on their agreed contribution for the corporate priorities to the Strategic Directors Board. Theme owners should then be able to take the agreed contributions in business plans and incorporate these into the updated Community Strategy delivery plans. Theme owners, or their delegated representatives, will need to maintain a close relationship with the LSP lead partnerships on each of the themes to ensure that this happens. The theme owner should work, alongside the partnership, to ensure that the contribution of other agencies is also included within the delivery plans.

3.13   Owners of internal corporate priorities, e.g. equalities or e-govt, should also meet with people doing the business planning in the new directorates to agree what they will be doing to achieve these internal priorities. The re-organised structure should also make this significantly easier to manage than in previous years.

3.14   Clearly, there is also key relationship between officers and members on performance management issues.

The relationships and roles for members in Performance Management

3.15   Members, including the Executive and those involved in the scrutiny process, should play a key role in performance management. One of the weaknesses identified in our 2002 CPA Corporate Assessment was the lack of member involvement in our performance management processes. We have undertaken work corporately to try to improve corporate reporting on performance management and a number of departments also undertook regular reporting to members. It is important that, within the new structure, all directorates report to members on key performance issues so that we overcome the weakness identified in the CPA assessment.

The Executive

3.16   The Executive need to receive regular performance management reports to identify areas within their portfolios where particular attention needs to be made to improve performance, and also to ensure that the council is achieving its priorities. Currently the Strategy Unit take a quarterly report to the Executive on the performance issues that have

been considered by PMIB / Strategic Directors Board (SDB). In addition the Leader and the Deputy Leader will receive copies of relevant SDB papers. Update reports are made on a 6 monthly basis to the Executive on LPSA targets and the CPA Improvement Plan

3.17 At the Executive, individual portfolio holders asked that performance information be taken to them on a regular basis so that they are fully aware of issues before they come to the whole Executive. It is important that the processes are agreed to fulfil this need.

The Policy and Review (Performance) Panel

3.18 The Policy & Review (Performance) Panel have agreed that their role is not to undertake detailed reviews itself but rather it should consider performance information and if necessary make recommendations over how areas of concern should be followed up. This might include :
   ♦ recommending further actions for the improvement plans
   ♦ recommending topics for further scrutiny to the oversight panel
   ♦ recommending topics for in-depth best value review by officers
   ♦ asking for officers, and Executive Members where necessary, to explain to the panel the background of performance issues

3.19 The performance information taken to the Executive by the Strategy Unit are also taken to the Policy & Review (Performance) Panel. This panel has picked issues of significance for more detailed reviews.

Officer role in informing members

3.20 It is recommended that the strategic policy, partnerships and performance management box should continue the role of the Strategy Unit in reporting corporate performance issues (such as LPSA, overall CPA or the Corporate Scorecard) to both the Executive and the Policy & Review (Performance) Panel.

3.21 The Strategic Directors need to ensure that they involve their relevant portfolio holder(s) in performance management. This should include :
   ♦ quarterly performance against key performance indicators that are included in the Corporate Scorecard
   ♦ progress against LPSA 1 targets, and LPSA 2 targets from next year, at least once every 6 months
   ♦ issues that may impact on CPA scores on a 6 monthly basis
   ♦ other performance issues, such as inspections that do not feed into the CPA, on an as required basis

3.22 It will be important that reporting by directors is consistent with the reports to the overall Executive undertaken by the strategic policy, partnerships and performance management box. To ensure that this happens it is proposed that before the overall report is made to the full Executive or the scrutiny panel, the strategic policy, partnerships and performance management team will circulate a draft of their report to the Strategic Directors for their comments. If what is in the overall report is at odds with what a Strategic Director has reported to their portfolio holder, modifications to the report can be agreed

Section Four: Workflow through the monitoring framework

4.1   In order to know that the framework for managing performance is operating effectively, enabling the city council to perform as well as it can, it is vital that there is a well-understood cycle for monitoring. This should provide adequate coverage of all of the issues, at a frequency that allows for corrective action to be taken where there is a performance issue that needs attention.

4.2   A major programme is being developed by Dave Thomas that identifies all of the projects and milestones in the authority that require attention, and allocates the relevant grouping to them. This programme will include the key milestones for performance management issues. It will be the responsibility of the Strategic Directors Board supported by the Strategy Unit / Corporate Secretariat to ensure that this programme is maintained and fulfilled.

The monitoring hierarchy

4.3   The city council has so many objectives and indicators of performance, it is important to know which are important, and who will deal with what to make sure it is all achieved. Broadly, the approach below describes how we will monitor our own performance, and how that will relate to the broader monitoring of achievement of the Community Strategy by the LSP.

Figure 2 – Monitoring relationships
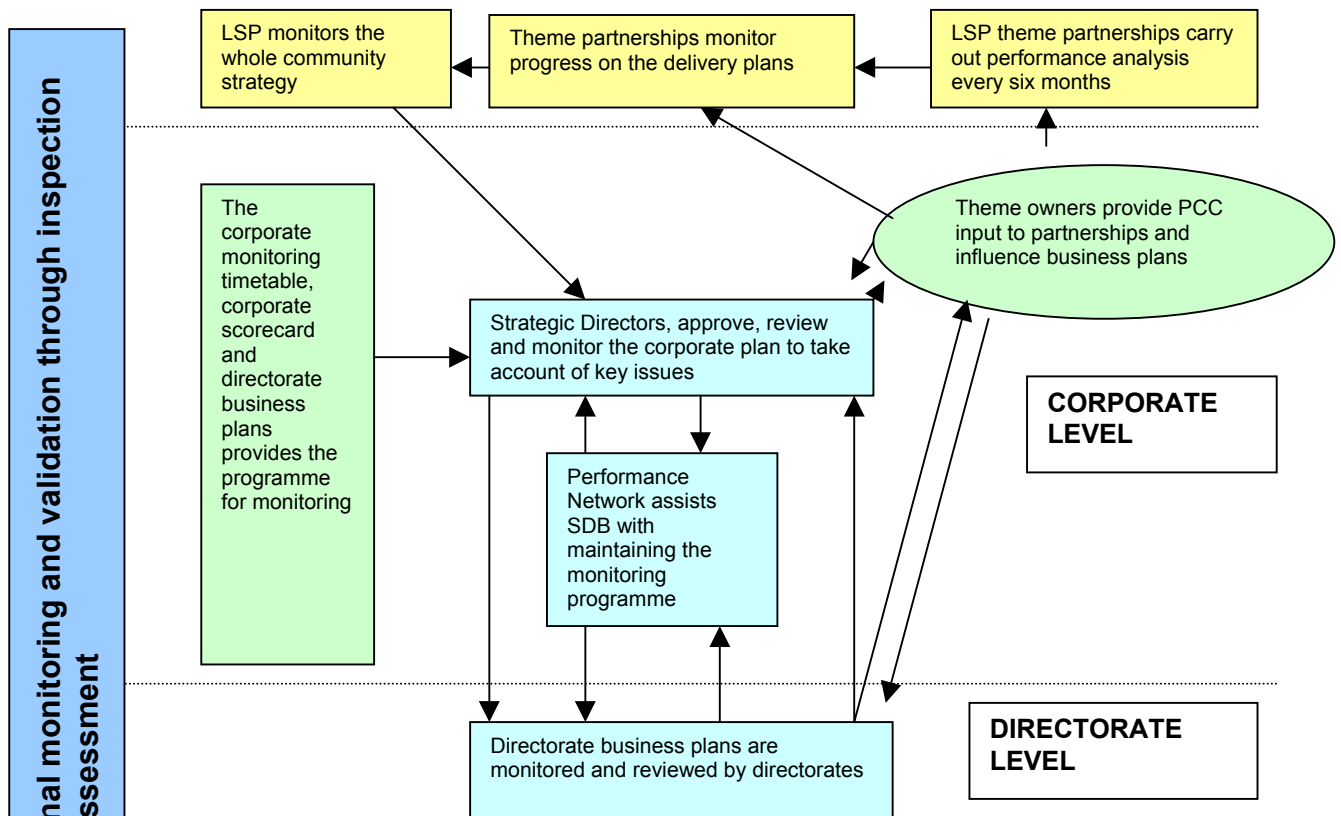
The timetable for key processes

4.4   Attached as Appendix 1 is the suggested timetable for all of the key processes in the performance management framework. Taken together with the programme for monitoring, this completes the overall performance management strategy for the City Council.

Section Five – Developing the Corporate Scorecard – identifying key indicators

5.1 Previously in the report, references have been made to the need to further develop the corporate scorecard to provide:

♦ strong links to the business plans of the organisation, therefore reflecting the priorities for monitoring
♦ the opportunity for members to link in fully to the process, and influence it at every stage

5.2 The process for doing this will be:

November/December

5.3 As background information, we will identifying all of the key statutory indicators and local indicators which we need to report, and map them against our corporate priorities to identify one key set of corporate indicators for the organisation. We will also use the business plan audits which will have been carried out to identify key issues for the authority in the coming year. This information will consolidated into an information pack for members.
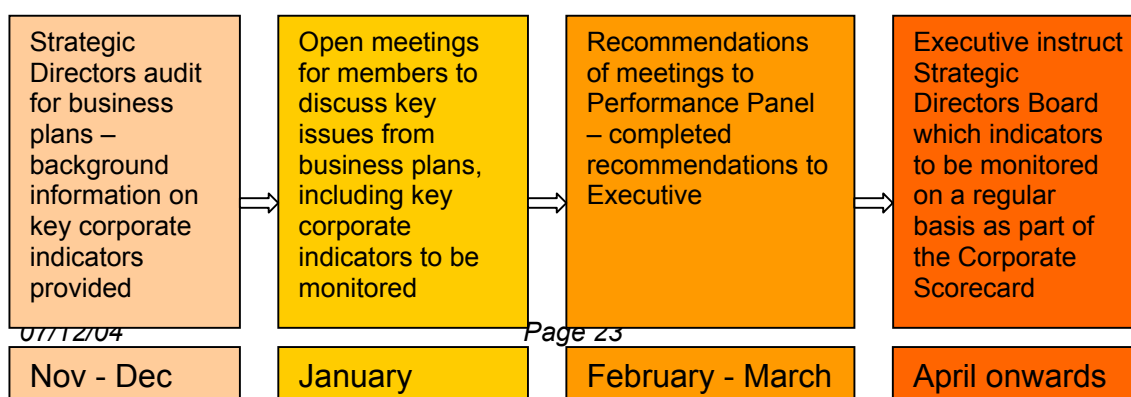
January

5.4 All members will be invited to sessions covering some of our corporate priorities to agree whether these cover the key points, or whether there are areas of performance that need to be covered through the development of further performance information. As a result of these workshops, a report will be taken to the Policy and Review (Performance) Panel recommending the indicator sets for monitoring in 2005/6.

February/March

5.5 The Policy and Review (Performance) Panel will make a recommendation to the Executive about which indicators should be monitored. The Executive will then consider the recommendation and as a result instruct the Strategic Directors which indicators will be monitored throughout 2005/6.

5.6 The process can be illustrated as follows:

Figure 3: The scorecard development process

Strategic Directors audit for business plans – background information on key corporate indicators provided	Open meetings for members to discuss key issues from business plans, including key corporate indicators to be monitored	Recommendations of meetings to Performance Panel – completed recommendations to Executive	Executive instruct Strategic Directors Board which indicators to be monitored on a regular basis as part of the Corporate Scorecard
Nov - Dec	January	February - March	April onwards

Section Six: Moving Forward

6.1   On the basis of the decisions of the SDB, the following action plan is s suggested to move the performance management agenda forward:

Table 2 – Action plan for developing performance management

Action	By when	By whom
Work with directorates to develop the Performance Network	End of November	Strategic Policy, Partnerships & Performance Management
Complete the development of the Corporate Monitoring Programme	November	Dave Thomas
SDB and member groups to receive reports on performance in accordance with the Corporate Performance Monitoring programme	Ongoing	Strategic Policy, Partnerships & Performance Management to lead, in partnership with Democratic Services
Strategic Directors to begin taking performance reports to portfolio holders	November	Strategic Directors
Business planning guidance to be launched at 2nd tier away day	November	Strategic Policy, Partnerships & Performance Management
Process for developing the corporate scorecard for 2005/6 to begin	November	Strategic Policy, Partnerships & Performance Management to lead
Ensure the golden thread principles are embedded throughout the organisation	November 2005	Strategic Directors Board
Performance Management Handbook to be developed and issued	April	Strategic Policy, Partnerships & Performance Management

The overall timetable for performance management processes

	Budget and MTRS	Business Plans	Corporate Scorecard	Corporate Plan	Community Strategy	O N G O I N G C O N S U L T A T I O N & M O N I T O R I N G
January	Single Capital Pot announced

Report on Collection Fund to Executive and setting Council Tax base | Presentation to SDB on key targets | Open meetings for members to discuss key issues from business plans & identify key indicators | Development of key corporate priorities from business plan audits & community strategy monitoring | Preparation of themed delivery plans for the next year begins | |
| February | Budget to Executive

22nd February – Budget to Council | Final allocation of resources and confirmation of targets | Results of open meetings reported back to Performance Panel | Development of key actions of actions to address key corporate priorities | | |
March	Treasury Management Strategy to Council	Member endorsement of business plans	Executive instruct SDB which indicators to monitor			
April			SDB begin to monitor key indicators on behalf of Executive	Approval of corporate plan by SDB and members	Full year monitoring begins	
May					LSP produce Community Strategy report cards	
June				Publication of corporate plan, including BVPIs	Delivery plans for coming year produced	
July						
August	MTRS process for capital begins and capital resources reviewed					

	Budget and MTRS	Business Plans	Corporate Scorecard	Corporate Plan	Community Strategy	
September	Revision of estimates and beginning of budget process for following year					
October	Revision of MTRS to fit with corporate priorities – send out revised forms. Revise forecast of resources and Collection Fund	Audits of directorates take place		Performance monitoring and Corporate Plan update		
November	Review and score MTRS returns and start discussions with members Receive provisional settlement and revise forecast	Development of service objectives and contributions to corporate strategies				
December	Prepare report for Performance Panel, Executive and Council on budget guidelines inc. revised MTRS Urgent changes to capital programme		Key information from audits emerges		LSP monitor Community Strategy and identify key issues	