

**Meeting:** Overview & Scrutiny Committee  
(Performance and Corporate Services)

**Date of Meeting:** 16<sup>th</sup> February 2010

**Title of Report:** Proposed Performance Management Framework Update

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This report contains	Yes	No
<b>CONFIDENTIAL</b> Information/		√
<b>EXEMPT</b> information by virtue of paragraph(s).....of Part 1 of Schedule 12A to the Local Government Act, 1972 (If information <u>is</u> marked exempt, the Public Interest Test must be applied and favour the exclusion of the information from the press and public).		√
Is the decision on this report <b>DELEGATED?</b>		

**Purpose of Report**

To provide the Overview & Scrutiny Committee with an update of work contributing towards the development of a new performance management framework for Sefton MBC and its partners.

**Recommendation(s)**

The Overview and Scrutiny Committee notes the contents of this report, and makes any observations which need to be developed within the proposed framework.

**Corporate Objective Monitoring**

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1.	Creating a Learning Community	√		
2.	Creating Safe Communities	√		
3.	Jobs and Prosperity	√		
4.	Improving Health and Well-Being	√		
5.	Environmental Sustainability	√		

6.	Creating Inclusive Communities	√		
7.	Improving the Quality of Council Services and Strengthening local Democracy	√		
8.	Children and Young People	√		

## **Financial Implications**

<b><u>CAPITAL EXPENDITURE</u></b>	<b>2009/ 2010 £</b>	<b>2010/ 2011 £</b>	<b>2011/ 2012 £</b>	<b>2012/ 2013 £</b>
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<b><u>REVENUE IMPLICATIONS</u></b>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

## **Departments consulted in the preparation of this Report**

Finance & Information Services  
Planning and Economic Regeneration (Neighbourhoods)

## **List of background papers relied upon in the preparation of this Report**

Briefing Report to Overview and Scrutiny Management Board – 12<sup>th</sup> January 2010.  
Briefing Report to Governance Review Working Group – 4<sup>th</sup> February 2010

## 1.0 Overview

- 1.1 This report provides the Performance & Corporate Services Overview & Scrutiny Committee with an overview of the proposed performance management framework for Sefton MBC and partners.
- 1.2 In relation to this framework, the report focuses on:
  - a. Background & need
  - b. Application
  - c. Core groups within the framework
  - d. Potential benefits if the framework was implemented
  - e. How the proposed framework will be developed.

## 2.0 Introduction

- 2.1 In support of the Governance Review, Strategic Budget Review and Comprehensive Area Assessment, the Cabinet Member for Performance & Governance and Opposition Spokespersons have supported the development of a new performance management framework for the Council; with anticipated implementation for the new municipal year.
- 2.2 There is a long term aspiration for this framework to apply to statutory & non-statutory partners under the CAA inspection framework; increasing collaborative working and ensuring greater accountability regarding performance. However, this needs to be developed further.

## 3.0 Proposed Performance Management Framework

### 3.1 *Background & Need*

As part of the organisational assessment component of CAA 2009/10, Sefton MBC scored three out of four for performance management. Whilst this indicates that performance management operates well within the council, a number of drivers demand change to the council's existing performance framework

<b>Driver</b>	<b>Need for change</b>
CAA	The new inspection framework requires a collaborative approach to achieving outcomes and targeted performance. Traditionally, a silo-approach has been prominent, with organisations having their own, individual responsibilities/performance indicators.
Strategic Budget Review	Has identified duplications of effort across the Council, resulting in repetitions and potentially wasted resource.
Risk Management	Traditionally, performance management and risk management have been distinct areas with little connectivity.
Legislation & Members	The Local Government & Public Involvement in Health Act 2007 significantly increase the role of Members in reviewing and challenging performance.
Performance Culture	Reports produced by Performance & Partnerships Team indicate that performance management is not properly and effectively embedded at all levels of the authority.

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### 3.2 *Application*

In the short term, it is intended that the proposed performance management framework, will apply to:

- Sustainable Community Strategy Outcomes (where Sefton MBC is a contributory partner)
- Corporate Plan Strategic Aims, Objectives and Actions
- Departmental & Annual Service Plans
- National & Local Performance Indicators

In the medium term, and once properly embedded, Strategic, Corporate and Service Delivery risks will also be incorporated into the performance framework.

### 3.3 Core Groups & Composition

The following table indicates core groups within the proposed performance management framework, whilst stating proposed composition and responsibilities.

<b>Core Group</b>	<b>Composition</b>	<b>Responsibilities</b>
Performance & Intelligence Group	<p><i>Short Term:</i> Performance &amp; Information Officers within Sefton MBC</p> <p><i>Long Term:</i> Performance-Risk &amp; Information Officers within Sefton MBC and across Partners.</p>	<ul style="list-style-type: none"> <li>• Collates performance data/information from departments, partners &amp; thematics.</li> <li>• Analyses and provides conclusions</li> <li>• Produces performance/intelligence reports</li> <li>• Focuses on underperforming areas</li> <li>• Advises how performance may be improved</li> <li>• Reviews performance and improvement to learn for future</li> </ul>
Sefton MBC Performance Board	<p>Strategic Leadership Team</p> <p><i>Supported and informed by the Performance &amp; Intelligence Group</i></p>	<ul style="list-style-type: none"> <li>• Monthly meeting of SLT dedicated to performance &amp; risk.</li> <li>• Review council strategic &amp; operational performance</li> <li>• Holds to account lead officers for areas of their responsibility and performance.</li> <li>• Holds to account senior officers for ensuring performance management culture is properly embedded.</li> <li>• Reviews action plans and suggested improvement methods</li> <li>• Reviews resource allocations and suggest revision/reallocations</li> <li>• Escalation of underperforming areas to Overview &amp; Scrutiny</li> </ul>
Cabinet Member & Service Director	<p>Appropriate Cabinet Member &amp; Service Director</p> <p><i>Supported by Performance &amp; Intelligence Group.</i></p>	<ul style="list-style-type: none"> <li>• Service Director will be accountable to Sefton MBC Performance Board.</li> <li>• Jointly responsible for setting accurate and reflective strategic &amp; operational priorities.</li> <li>• Jointly responsible for achievement of strategic &amp; operational outcomes/performance.</li> <li>• Where underperformance exists,</li> </ul>

		<p>jointly responsible for the development of action plan/improvement methods.</p> <ul style="list-style-type: none"> <li>• Jointly responsible for Corporate, Strategic &amp; Operational risks</li> <li>• Jointly responsible for data quality and embedding performance culture.</li> </ul>
Cabinet Member for Performance & Governance	<p>Cabinet Member for Performance and Governance</p> <p><i>Supported by Performance &amp; Intelligence Group.</i></p>	<ul style="list-style-type: none"> <li>• Recommending for improvement underperforming areas, or areas which cause concern.</li> <li>• Review robustness and effectiveness of action plans / improvement actions</li> <li>• Escalation to Overview &amp; Scrutiny.</li> <li>• Dissemination of local, regional and national best practice.</li> <li>• Overall responsibility for Strategic, Corporate &amp; Operational Risks</li> </ul>
Overview & Scrutiny Committee	<p>Overview &amp; Scrutiny Committee Members</p> <p><i>Supported by Performance &amp; Intelligence Group.</i></p>	<ul style="list-style-type: none"> <li>• Considers escalated outcomes/service areas – possible incorporation into annual work programme.</li> <li>• Utilise powers under 2007 legislation to question partners under duty to co-operate</li> <li>• Policy development and recommendations for service improvement.</li> </ul>

#### 4.0 Proposed Performance Management Framework Development

4.1 The proposed performance management framework has already been presented to a number of stakeholders, who have put forward suggestions for how the framework should be improved.

4.2 In December 2009, the framework was presented to the Governance Review Working Group.

Table 1.0 states suggestions made, and shows how the framework has developed as a result:

1.0 Suggestions from Governance Review Working Group; and development of Performance Management Framework	
Suggestion	Development
Incorporation of risk management into proposed performance management framework.	<p>Risk management will be incorporated as soon as practicably possible; and will not be treated as a medium to long term aspiration.</p> <p>When presenting the performance management framework, performance &amp; risk will be presented as one agenda i.e. there will be a performance-risk culture within Sefton MBC.</p> <p>It is acknowledged however that both</p>

	<p>agendas need to be properly embedded within the organisation before “full” incorporation.</p>
<p>Area Committees to be incorporated into proposed performance management framework</p>	<p>Latest versions of the performance management framework process map will incorporate reporting to Area Committees; to provide localised performance monitoring and reporting.</p> <p>Area Partnership Agreements will also be considered to assess service delivery and performance at a local level.</p>
<p>Resource allocations re: performance</p>	<p>The Performance &amp; Partnerships Teams have liaised with Neighbourhood Management to determine how to evaluate costs associated with performance.</p> <p>In addition, an exercise was conducted in the last financial year relating to costing for the Local Area Agreement; an exercise which could apply for the entire suite of National Indicators and local performance indicators.</p> <p>This suggestion continues to present challenges, given that it is difficult to calculate the financial benefits/resource allocations on an outcome.</p> <p>Many outcomes are long term in nature; making it difficult to determine how finance/resource have made an impact – especially with agendas such as reducing health inequalities across communities.</p> <p>One solution considered is to have accurate and defined milestones – linking finance/resource to medium and long term actions/outcomes.</p>
<p>Reporting to Cabinet Member for Performance &amp; Governance</p>	<p>An additional performance reporting stream has been incorporated into the performance management framework process map.</p> <p>The Performance Board will now send a report to the Cabinet Member for Performance &amp; Governance highlighting which areas/indicators will be addressed moving forward.</p>

4.3 On 12<sup>th</sup> January 2010, the amended performance management framework (following the December meeting of the Governance Review Working Group) was presented to Overview & Scrutiny Management Board.

Table 2.0 states suggestions made, and how the framework has been developed as a result

2.0 Suggestions from Overview & Scrutiny Management Board; and development of Performance Management Framework	
Suggestion	Development
Clear role of Overview & Scrutiny in relation to performance	<p>There will be greater clarity of the role of Overview &amp; Scrutiny in relation to reviewing and challenging performance – particularly the consideration of “Escalated” outcomes/service areas, and utilising the duty to regard and co-operate.</p> <p>An away-day for Overview &amp; Scrutiny is planned for March/April 2010 to more accurately define the role of Overview &amp; Scrutiny Members.</p>

- 4.4 The Council’s Strategic Leadership Team met on 21<sup>st</sup> January 2010 and discussed the proposed performance management framework. Their comments have been incorporated into the proposal.

SLT also requested a meeting of performance officers be convened to involve them in the development of the framework. To this end, a consultation workshop has been arranged for 15<sup>th</sup> February 2010, to enable performance officers to shape the proposed framework before a final version is produced in March.

- 4.5 A meeting of the Governance Review Working Group on 4<sup>th</sup> February 2010 identified further changes to the proposed framework for example, conveying performance and cost. These amendments will be built into the framework before the consultation event commences on 15<sup>th</sup> February.
- 4.6 Table 3.0 highlights work which will be completed in the coming months to further develop the proposed framework.

3.0 Development of framework moving forward	
Development of framework	What needs to be considered/completed
Full incorporation of suggestions in Table 1.0 & Table 2.0	As stated within tables above.
Performance reviews completed by Performance & Intelligence Group	<p>It is the ambition to have regular, soft touch, performance/service reviews conducted by the Performance &amp; Intelligence Group.</p> <p>This ambition and associated issues e.g. when will review be conducted &amp; what format will review take, will be determined and built into the proposed framework.</p>
Further clarity in relation to Cabinet Member and Service Director ownership & responsibility.	The performance management framework process map, and accompanying presentations will give further clarity as to the roles, responsibilities and reporting structures



	in relation to Cabinet Members & Service Directors.
Greater incorporation of Performance Management & Risk Management	Future process maps relating to the proposed performance management framework will reflect the ambition to have full incorporation of performance & risk. There will still be an acknowledgement however that both agendas need to be effectively embedded at all levels of the organisation.
Clarity relating to setting and measuring outcomes/priorities.	Clarity relating to how priorities/outcomes are set, <b>and</b> what information needs to be provided to facilitate these processes will be built into the performance management framework.
Responsibility Checklist/Diagram	A responsibility checklist will be devised for Members, Senior Officers and Council Staff. This list will also support the rewriting of the Council's Constitution to provide greater clarity in relation to performance.
Appraisal System	In support of the PID associated with Performance/Intelligence, and Workforce Development, a review of the appraisal system will be completed.

## 5.0 Conclusion

- 5.1 In conclusion, the development of the proposed performance management framework is a continuing and evolving process.
- 5.2 Members, Sefton MBC officers and wider partners will be consulted to ensure that the new performance framework is both fit for purpose, and will address both internal and external challenges.
- 5.3 An ambition still remains to have a framework in place for the new municipal year. Whilst a general performance monitoring and reporting framework may be in place this date, it is acknowledged that further work surrounding operational and cultural issues will extend beyond this, and the framework will need to be fluid to enable it to be developed.