

CABINET

Performance Management Framework 2nd September 2008

Report of Corporate Director (Finance & Performance)

PURPOSE OF REPORT			
This report seeks Cabinet's approval to amend the existing framework for Performance Management arrangements within the Council.			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>
		Referral from Corporate Director	X
Date Included in Forward Plan	N/a		
This report is public			

RECOMMENDATIONS OF COUNCILLOR J.R.MACE

- (1) That the proposed changes set out in the report for the Performance Management Framework be approved
- (2) That Member and Officer briefings be arranged to inform those involved in the Performance Management Framework of the agreed changes

1.0 Introduction

- 1.1 A key action from the recent CPA inspection report was to review and introduce improvements into the current Performance Management Framework (PMF). As a consequence two briefing sessions took place on 24 June (for members) and 30 June (for officers) to review the current framework and to seek improvements. The results from both those briefings are attached as **Appendices A & B**.

2.0 Proposal Details

- 2.1 The key message from the briefings was that the Council has made significant progress in developing its performance management arrangements over the last few years but that further improvements could still be made. In particular, the messages from the briefings referred to above can be summarised as follows:

- on the whole, the quarterly Performance Review Team (PRT) meetings to monitor the delivery of key, strategic priorities were valued by both members and officers, but that improvements could be made to simplify the process;

- that in addition to the quarterly PRT meetings, more frequent meetings should take place between services and cabinet members to discuss less strategic issues and to concentrate on delivering the tasks in the service business plan;
- documentation for the PRTs should be simplified and include a section on key business plan targets that are not in the Corporate Plan;
- council needs to be clear what its real priorities are;
- strategic reporting needs to include partnership priorities, e.g. LAA and LSP;
- reports should be focussed and easy to understand (minimal jargon / acronyms);
- current Cabinet member portfolios make PRT reporting difficult ;
- use of Escendency (the software reporting tool for PRTs) needs further development.
- actions from PRTs should be more visible and clearly communicated;
- good news stories need publicising more to increase public awareness of improvements / successes;
- the Performance Management Framework needs to include a mechanism for receiving, reporting and acting on complaints;
- any new arrangements arising from the review should be the subject of member and officers briefings;

In considering changes to the process, there was a generally held view the new system shouldn't become an industry in itself or too burdensome.

- 2.2 Although the briefings identified a range of issues that could bring improvements, it was widely agreed that the current PRT system was effective but did need some fine tuning. As a consequence it is proposed to retain the current PMF system but with the following amendments:

Business Planning

The early involvement of Cabinet members, once the Corporate and Service Business Plans have been agreed, is seen as an important step in ensuring that the information to be reported on in PRTs is relevant for each Cabinet portfolio holder. As a consequence it is proposed that as an integral part of the PMF,

- Officers should ensure that service business plans should be completed and signed off in April each year as per the agreed Budget and Policy Framework timetable;
- Cabinet members should meet with service heads once their business plans are signed off to discuss the content, and agree which targets should be monitored in the quarterly PRT reports and also in Escendency;
- Cabinet members and services should agree a process for sharing information about service performance outside of the quarterly PRT meetings.

This could include regular timetabled meetings and / or use of email but should involve at least one additional meeting with officers per quarter.

This is consistent with the proposals in respect of updating the Star Chamber process elsewhere on this agenda, and would allow members to not only challenge service performance, but also Value for Money (vfm) considerations that will allow members to bring forward options to improve efficiency and to make savings.

Performance Review Teams

Cabinet members, Directors and Service Heads should continue to meet on a quarterly basis to monitor strategic targets included in the Corporate Plan and Service Business Plans. The paperwork for PRT meetings will be reduced and more focussed as set out below :-

- Reports should be generally on an exception basis and include the following sections –
 - Progress on achieving strategic targets (Corporate Plan / LAA / LSP) against approved milestones
 - Progress on achieving key business plan targets (maybe from other policies and strategies) determined by each cabinet member
 - Financial budget monitoring information including any service specific savings targets that may have been set
 - A plan that provides an update on the agreed actions from the last PRT meeting which will be updated with any new actions agreed
 - The opening service introduction section in the PRT report will no longer be necessary as this information will have been discussed in the additional informal meetings between cabinet members and service heads
 - The Value for Money (vfm) spidergram will also be discontinued for PRTs as vfm issues will be built into the revised Star Chamber process;
- The Corporate PRT meeting will continue as now. The report summarises the issues from each individual PRT meeting and will continue to be prepared for cabinet member with responsibility for performance who will present the report to both Budget & Performance Panel and Cabinet. Presenting the report to Cabinet is a new addition and will be ensure that all Cabinet are kept up to date with progress on delivering the Council's key strategic priorities.
- Escendency will be developed with a view to being used as sole method of reporting to quarterly PRTs. If this is successful, there will be no paperwork necessary apart from any subsequent action plans agreed; and Cabinet members will be able to monitor performance in real time outside of the PRTs
- PRTs will continue to be prepared and held on a service by service basis. Cabinet may wish to consider at some future stage how their portfolios could be better aligned to improve the process further.
- Any paperwork should be made available at least 5 working days ahead of the scheduled meeting to allow members to prepare

- A training programme will be developed to support Members in developing their skills in the monitoring and management of performance both within the Council and the key partnerships within which it operates.
- The Council's Risk Management arrangements are also being reviewed and updated separately, and one of the key objectives is to streamline the arrangements to integrate better (and more efficiently) with the PMF.

3.0 Details of Consultation

3.1 The proposals set out above are based on information and comments received from the officer and member briefings referred to in section 1.1 above. The officer Performance Management Group has also reviewed the proposals.

4.0 Options and Options Analysis (including risk assessment)

4.1 **Option 1** is to approve the amended Performance Management Framework as set out in the report's proposals.

The proposals reflect the views of officers and members from the briefing sessions and are designed to simplify and re-focus the PRT reporting process. The proposals are consistent with the recommendations from the Council's recent Comprehensive Performance Assessment judgement.

4.2 **Option 2** is to adopt the proposals in part and/or suggest other improvements. Cabinet could decide to only adopt selective parts of the proposals or indeed offer new ideas for improvement. In adopting only part of the proposals, the opportunity for achieving significant benefits could be lost.

4.3 **Option 3** is not to support the proposals and to retain the current PRT arrangements. This would not achieve the improvements that could be made from implementing the new proposals or take on board the comments from the consultation briefings.

5.0 Officer Preferred Option (and comments)

5.1 The preferred option is **Option 1** for the reasons set out above.

6.0 Conclusion

6.1 The Council has had its existing Performance Management arrangements in place for 2 years. There is a need to introduce improvements, learning lessons from the last 2 years. The proposals recommended in this report will bring improvements by simplifying the PRT system and re-focusing it on strategic exception reporting. The proposals also make arrangements to improve cabinet/service head liaison with more frequent informal meetings and there will be improved reporting of performance into cabinet in receiving the Corporate PRT report at their meetings. The recent CPA judgement identified that improvements were necessary and this report recommends how that can be achieved.

RELATIONSHIP TO POLICY FRAMEWORK

The Performance Management Framework is integral to the delivering all the targets and outcomes in this Corporate Plan and many others included in the Council's service business plans and other key strategies.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

None directly arising from this report

FINANCIAL IMPLICATIONS

None arising directly from this report, although the recommendation to present the quarterly Corporate Performance Review Team summary report to Cabinet will strengthen the executive financial management arrangements.

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has been consulted and has no further comments to add.

LEGAL IMPLICATIONS

Legal Services have been consulted and have no comments to add.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no comments to add

BACKGROUND PAPERS

None

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