
PERFORMANCE MANAGEMENT PROGRAMME - REFRESH

Purpose of this Report

1. To outline proposals for developing the Council's current Performance Management arrangements, building on the progress made by the Council in the previous two years, to further improve and embed an effective and consistent approach.

Reason for the Scrutiny

2. To offer Members of the Policy Review and Performance Scrutiny Committee an opportunity to shape the way forward by taking part in pre-decision policy development of the Council's approach to managing performance.

Background

3. The Committee has clear responsibility within its Terms of Reference for scrutinising, monitoring and reviewing the effectiveness of the implementation of the Council's policies, aims and objectives and making recommendations which may enhance Council performance. This responsibility includes oversight of arrangements in place to manage, report and challenge Council performance.
4. In March 2016, having considered the Wales Audit Office (WAO) Corporate Assessment Follow On Report, the Committee endorsed the external regulator's

view that it is important the Council builds the capacity and mechanisms for internal challenge and self assessment.

5. With specific regard to the *WAO Proposals for Improvement in Performance* arrangements, the Committee was advised there was a need for more consistency around performance management and benchmarking; that the framework and mechanisms for effective performance management and reporting were already in place, but that there is scope for further improvement; and particularly scope for strengthening the relationship between the Central Performance Team and Service Directorates.
6. At that time the Committee indicated it would take up the Cabinet Member's offer of consulting closely with Members to shape refreshed proposals prior to the implementation of new performance reporting arrangements.

Scope of the Scrutiny

7. In February 2016 the Council recruited a new Head of Performance and Partnerships to continue its performance improvement journey. The proposals for refreshing the Council's performance management approach have been under development and are now at a point that is appropriate to engage with Members in line with the WAO's Proposal for Improvement (P1) issued to the Council.
8. Members are invited to consider the proposals outlined in this report, and the presentation attached at **Appendix A**, to be delivered by the Head of Performance and Partnerships at Committee.
9. Following the presentation Members will be invited to discuss and challenge the proposals, to constructively inform the Council's performance improvement journey.

The Council's Strategic Planning Framework

3. The Council's integrated strategic planning framework to deliver its vision of Cardiff as 'Europe's most liveable Capital City' spans **City Performance**, via the *What Matters* Single Integrated Plan and *Liveable City* Report; **Council Performance** via the *Corporate Plan*; **Directorate Performance** via Directorate Delivery Plans; through to **Individual Performance** via Personal Performance and Development Reviews.

4. The *Corporate Plan 2016-18* was approved at Council on 25 February 2016. It set out four Priorities and 12 Improvement Objectives for Cardiff. The four Priorities are listed as:
 - a. Priority 1: Better education and skills for all;
 - b. Priority 2: Supporting vulnerable people;
 - c. Priority 3: Creating more and better paid jobs;
 - d. Priority 4: Working together to transform services.

12. The Council has welcomed the Wales Audit Office's (WAO) assessment of the its progress over the last two years, and acknowledged that momentum must be maintained to enable the Council to deliver improved services and better outcomes for the citizens of Cardiff within the next 12 months. Therefore the Council's Statement of Action addressing the 14 Proposals for Improvement identified in the *Corporate Follow On Report* promises to bring forward a report on the review and reshaping of the Council's Organisational Development Programme (ODP) for consideration by the Cabinet and scrutiny in June 2016.

Performance Management Programme - Introduction

10. The starting point when considering any performance management system is asking "*how do we know if we are successful?*" The answer entails also answering "*what does success look like?*". These two questions should be central to the way in which the Council collates, reviews and, above all, uses its performance information as part of a robust, proactive approach to Performance Management.

11. The Council is committed to achieving four Priorities and 12 related Improvement Objectives, as well as contributing towards the achievement of the seven shared *What Matters* Outcomes.
12. Therefore as an organisation the Council knows what success looks like – if the Council has done everything within its power as both a local authority and an effective leader of local systems, partnerships and networks, then these priorities and objectives will be achieved. However, this leaves the question “*how we do know if we are being successful?*”
13. The Council needs to establish an approach to Performance Management that provides robust mechanisms to establish whether or not it is being successful in achieving its high-level objectives, as well the levers to implement mitigating action where success is not currently being achieved. Furthermore, these processes must extend throughout the organisation to ensure that the right types of information are in use at the right organisational levels, in order to inform different levels of decision-making.
14. Performance Management is about using performance information – of all types and from all sources – to take action that means the Council achieves outcomes that are better than would otherwise have been achieved.
15. It is critical to understand that Performance Management is not only essential to achieving outcomes, but that it is also critical to the role of everyone in the Council, especially those with managerial or leadership responsibilities. In short, it *is* the day job.
16. Historically local government has faced a greater challenge to its ability to add value through performance management due to the responsibility of measuring and reporting on statutory indicators. However the Council can commit to measuring statutory indicators, performing well in these areas, *and* to measuring and using information which accurately informs managers how successful their team(s) are in achieving the outcomes they have set out to achieve.

17. The aim is to move the Council to a culture of accountability, where challenge is welcomed and support is sought. The proposals outlined in this report are important because of their ability to effect that change.

The Proposals

Develop robust, outcomes-focused Balanced Scorecards for consideration by Cabinet and the Policy Review and Performance Scrutiny Committee.

18. Cabinet and this Committee both have explicitly and intrinsically strategic remits: Cabinet to set the strategic priorities and policies, and PRAP to serve as the 'critical friend' of the organisation in ensuring the Council is able to achieve its strategic priorities, and as stakeholders in the formulation of policies.

19. Within this context, performance information should focus on how the whole Council is progressing in achieving the priorities that matter most to the City of Cardiff and its residents. Current levels of information might be considered to hamper proper engagement within these environments. A focused set of information, providing Members with an 'at-a-glance' understanding of whether or not the Council is successful in achieving the priorities that matter, would be conducive to allowing both to better fulfil their primary remits.

20. Seventy-seven Performance Measures were specified in the 2015-17 Corporate Plan. Such a large number of measures create a volume of information that provides barriers to strategic-level discussion and decision-making: audiences will either struggle to engage with the information, or get drawn into discussion of specific and familiar areas of detail.

21. It is therefore proposed that reporting to both Cabinet and PRAP centres on a smaller, focused set of indicators; it is suggested that, for any one meeting, a small number of indicators (the ideal would be twenty) are reported in the format of four Balanced Scorecards: one for each of the Council's priorities, focussing on the achievement of outcomes. The indicators selected give a strategic picture of:

- How successful the Council is in achieving the outcomes that matter most (its four Priorities)
- How successful the Council is in closing the gap in areas that are currently considered 'priority areas of improvement'.

22. Information not held within these Balanced Scorecards will still exist; PRAP and Cabinet will be able to request additional datasets at any time. The key principle is that both PRAP and Cabinet receive a much more focused set of information that enables them to better exercise their strategic functions than will otherwise be possible.

Reduce scope and size of Directorate Delivery Plans

23. The current format of Directorate Delivery Plans (DDP) means too much information is reported to enable robust, focused discussion. The content of the Plans therefore requires review, with a consistent approach taken to ensure they focus on the strategic outcomes, activities and performance targets each Directorate has in place. Information currently included within DDPs that falls outside of this new scope will be included within Service Plans.

Introduce service planning across the Council

24. A robust, consistent and *proportionate* framework of service planning will allow the Council to better distribute performance information. It will also create a stronger 'golden thread' throughout the organisation, linking the achievement of strategic objectives through to operational outcomes, therefore providing greater 'line-of-sight'. This in turn will increase the engagement in performance management across the organisation. A strong service planning framework will also help to centre the Council's performance management culture on accountability. Furthermore, a service planning framework will provide an avenue through which to link cross-cutting priorities such as equalities, the implementation of the Wellbeing of Future Generations Act, and community safety, to operational activity.

Establish a Performance Support Board

25. The Council's current approach to performance management concentrates the use of performance information within the most strategic parts of the organisation. It is important to ensure that these strategic audiences are considering strategic performance issues. It is therefore critical to ensure that underneath the strategic layer there are mechanisms in place which allow for effective engagement in and support of operational performance issues. In parallel with developing a coherent cross-organisation approach to service planning – which will, by default, create a new body of consistent performance information – the Council should consider introducing a Performance Support Board (PSB) model, to provide support to service performance, allowing Cabinet, PRAP and the Senior Management Team (SMT) to focus on strategic performance issues.

26. Although Terms of Reference are still in development, it is expected that the primary roles of the PSB will be to support specific areas of service improvement, investigate areas of performance that are highlighted by robust data analysis and provide a corporate overview for those performance measures that do not go to SMT, Cabinet or PRAP as standard. This will be especially helpful in enabling the organisation to have confidence that measures mandated by Welsh Government but not included in Outcomes-focused scorecards are receiving due attention.

27. Each service has a lead performance officer who will, together with the central Performance Team, analyse and challenge work to help inform the PSB's agenda. This will ensure that the wider performance management community feels more engaged and valued, as their work will provide a key impetus to the work of the Board.

Improve timeliness of reporting

28. With this refresh of performance arrangements the Council will examine opportunities to increase the speed with which information flows through its performance-related processes. An essential part of moving the organisation away from *monitoring* performance and onto *managing* performance is providing

information within a timescale that allows the use of data to influence decision making and prompt appropriate intervention.

29. This will require the organisation to commit to non negotiable deadlines for the return of performance information for the purposes of challenge and report collation; and to accept the use of draft performance information at earlier stages in the performance reporting process. While the final reports for Cabinet and PRAP should always contain confirmed information, the reports that are used by the Performance Support Board and SMT can contain draft performance information, provided it is flagged as such.

Publish performance information on the internet

30. In order to reinforce the Council's move to a culture of accountability, this refresh of performance arrangements presents an opportunity to enable Cardiff residents to access key performance information in a way that is immediately engaging. Similarly, the Council's staff should have access to online performance information that helps them understand the contribution they are making towards achieving organisational aims. It is therefore proposed that the Council publishes information about its performance on cardiff.gov.uk.

31. The published information would focus on the outcomes the Council is trying to achieve – the four Priorities – and therefore correlate to the performance measures used at Cabinet and PRAP. Information will be presented in a way that is engaging to a wide variety of people by using a form of infographic presentation. The aim would then be to report on all measures (in spreadsheet or similar format) in time.

Refresh the Council's Performance Management Strategy

32. In light of recommendations made in the Welsh Audit Office's latest report, the Framework element of the Performance Management Strategy will be updated to include guidance around timelines that support current processes. The most significant aspect of this refresh will be embedding it into the organisation's culture. Mostly, this will be achieved through changing practices as outlined

above. However, ensuring that the Council's Performance Management Strategy is acknowledged, understood and used will require the Central Performance Team to engage and work proactively with service managers and performance leads.

Legal Implications

33. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

34. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATIONS

The Committee is recommended to:

- i. consider the information in this report and presented at the meeting;
- ii. decide whether it wishes to make any comments or recommendations to the Cabinet Member and Head of Performance and Partnerships.
- iii. factor discussion of performance matters into the Committee's work programme for 2016/17.

JOSEPH REAY

Head of Performance & Partnerships

4 May 2016