

Corporate Policy Scrutiny and Performance Committee

**Performance Management Scrutiny Working Group
Part A - Final Report**

Contents

Section	Page
Chairman's Foreword	1
Conclusions and Recommendations	2
Setting the Scene	2
Terms of Reference	3
Membership	4
Methods of Investigation	5
Findings	5
Implications	12
Acknowledgements	12
List of Appendices/Background Papers	13

Chairman's Foreword

At the outset of our work, the County Council was significantly behind other similar authorities in its performance management. Our scrutiny helped maintain a focus on improving performance management across the County Council.

We have overseen the work being undertaken to achieve better performance management, concentrating on the elements that we felt were particularly important such as the development of business planning and the corporate Performance Management Information System.

Throughout our work we have emphasised the importance of Member involvement in performance management for good governance.

To date the County Council has made significant progress, to the point where a comprehensive corporate Performance Management Framework is in place.

The continued involvement of overview and scrutiny as part of this Framework will help to ensure that effective performance management supports the delivery of improved services and outcomes for the people of Staffordshire.

I would like to thank the Members of the Working Group, and those who have supported us in our work, for their contributions.



**County Councillor Mark Winnington
Chairman of the Performance Management Scrutiny Working Group
September 2008**

1. Conclusions and Recommendations of the Performance Management Scrutiny Working Group

- 1.1 The Working Group are satisfied with the state of development of the Corporate Performance Management Framework, which includes a role for overview and scrutiny. We consider that it is sufficiently developed (with arrangements in place for its review, evaluation and revision) to support any further necessary improvement in performance management.
- 1.2 We recommend that improvement actions associated with performance management continue to be included in the Corporate Improvement Plan and that ongoing monitoring passes back to the Corporate Policy Scrutiny and Performance Committee, through scrutiny of the quarterly performance reports. In their performance management role, the Committee can test whether corporate improvement activity is leading to improved service delivery.
- 1.3 This ongoing monitoring does not preclude future consultation with overview and scrutiny on any proposed action to improve performance management and we recommend that this takes place for any significant changes. (The arrangements for scrutiny improvement planning through the Scrutiny Chairs Forum and Scrutiny Development Forum provide overview and scrutiny Members with a means to voice their views on any future development of the role of overview and scrutiny in performance management.)
- 1.4 We advocate overview and scrutiny involvement in the County Council's preparations for Comprehensive Area Assessment.
- 1.5 We look to: the publication of performance information on the Members' Intranet, and on the County Council's website for the public, as soon as possible; and the further development and quality assurance of business plans.
- 1.6 This report should be read with our Lifecycle of Performance Indicators final report.

2. Setting the Scene

- 2.1 Performance management was one of the key areas for improvement identified in the County Council's 2005 Comprehensive Performance Assessment. Following this, the former Corporate Policy Scrutiny Committee had been receiving updates on the development of performance management when they agreed that a cross cutting Scrutiny Working Group was the best way to take forward scrutiny of this matter. So the Performance Management Scrutiny Working Group was established.
- 2.2 As performance management remained a key area for improvement in 2007/08, when the Corporate Policy Scrutiny and Performance Committee considered their work programme for this year, they agreed the continuation of the Scrutiny Working Group.

- 2.3 Scrutiny of this matter was intended to help ensure the timely implementation of planned action to improve performance management (ultimately the development of the County Council's Corporate Performance Management Framework within which overview and scrutiny has a role).
- 2.4 Effective performance management is essential for good governance and the achievement of the objectives of the County Council's Strategic Plan, the Sustainable Community Strategy and the Local Area Agreement (LAA).

3. Terms of Reference

- 3.1 The key objective of the Performance Management Scrutiny Working Group was to review progress in each of the following performance management activity areas:
- performance reporting;
 - business planning;
 - accountability;
 - evaluation and self-review; and
 - partnerships (including performance management in regard to the LAA).
- 3.2 The scope of the Working Group's work in 2006/07 was to consider and comment on progress in regard to the key activities and measures contained in the Performance Management Action Plan for that year.
- 3.3 In 2007/08, the scope of their work was to consider and comment on:
- the progress made in developing the County Council's Corporate Performance Management Framework; and
 - the effectiveness of the Framework.
- 3.4 The Working Group were also able to act as consultees in regard to proposed action to improve the County Council's performance management.
- 3.5 Members of the Working Group maintained an overview of all the elements of work to improve performance management being undertaken throughout the authority. From these, they determined their key lines of enquiry within the above performance management activity areas. In 2006/07, in their scrutiny of the Action Plan, the Working Group pursued in particular the following lines of enquiry:
- plans and capacity to deliver improvement in performance management and thereby performance;
 - the infrastructure to support the Customer Charter;
 - the development of performance information provision and business planning;
 - equality and diversity indicators;
 - the development of Personal Performance Review (PPR);
 - value for money and benchmarking;
 - the relationship between performance management and organisational/service review;
 - performance management arrangements with LAA partners; and

- the role of overview scrutiny in performance management.

3.6 In 2007/08, the Working Group considered progress with the performance management elements of the Corporate Improvement Plan. Members' scrutiny included:

- the capacity to deliver further improvement;
- the further development of business planning and performance information provision, including data quality;
- benchmarking and quality assurance;
- the national performance framework; and
- the County Council's draft Corporate Performance Management Framework.

3.7 During the life of the Working Group both they and the Corporate Policy Scrutiny and Performance Committee provided a corporate overview of the performance reports supplied to Members, commenting on: issues of a general nature arising from the reports; and development issues about format and compliance with the reporting template.

3.8 Both the Working Group and the Committee were updated regularly on the development of the corporate Performance Management Information System, which generated quarterly performance reports from 2007/08. The System was also demonstrated to them. These updates led into a specific piece of work on the lifecycle of performance indicators as phase two of the System was implemented (8 August 2008). A separate final report, with conclusions and recommendations, was produced for this piece of work.

4. Membership

4.1 The membership of the Performance Management Scrutiny Working Group has been affected by changes in Scrutiny and Performance Panel/Committee memberships made at full Council. The following table shows those Members who have participated in the Working Group next to the Panel/Committee that they last represented:

Scrutiny and Performance Committee/Panel	Members
Children and Young People	Peter Beresford
Corporate Policy	Matthew Ellis Mike Maryon Jim Muir
Economic Prosperity and Sustainable Communities	Frank Lewis
Health	Gill Heath
Healthier Communities and Older People	John Garforth
Partnerships	Mark Winnington
Former Children and Lifelong Learning	Tony Wilkins
Former Resources	Roger Smith

5. Methods of investigation

- 5.1 The scrutiny process involved an intensive series of three meetings between November 2006 and January 2007 followed by further meetings during the remainder of 2007 and early 2008.
- 5.2 The Working Group met principally with the Deputy Corporate Director (People, Policy and Performance), inviting other officers depending on the agenda for the meetings.
- 5.3 The Working Group maintained contact with the relevant Cabinet and Support Members throughout their work, inviting them to meetings when appropriate.

6. Findings

- 6.1 The Performance Management Scrutiny Working Group's considerations and findings are set out below.

2006/07 - Delivering Improvement

- 6.2 At the outset of their work, Members sought reassurance about the robustness of the Performance Management Action Plan and the authority's capacity to deliver the required improvement in performance management. They found that, as part of the 2006 "direction of travel" visit, the Audit Commission had received a copy of the Action Plan and of six similar plans they had seen they said that Staffordshire's was the best. The Corporate Management Team and Deputy Corporate Directors (DCDs) would meet collectively on a regular basis - DCDs would be charged with particular tasks in regard to the authority's change programme, which might also involve Heads of Service as appropriate. The Chief Executive's Office had been restructured and job roles were being tailored to meet the performance management requirements of the Authority. This included the Scrutiny Managers taking on a performance role. Performance officers were located within directorates for operational accountability and would be provided with corporate support for their roles.
- 6.3 The Working Group also asked about the infrastructure to support the delivery of the Customer Charter and it was confirmed that this was in place. Further to this, in February 2007 there was a joint meeting of the Resources Scrutiny and Performance Panel and the Corporate Policy Scrutiny Committee which included an item on the Charter.

Performance Reporting

- 6.4 Members were keen that the development of a corporate Performance Management Information System was viewed as a priority, seeing it as an essential tool for performance management, with wider value than just the potential for efficiency savings. They wrote to the Chair of the Authority's ICT board about this and received confirmation that the system was viewed as priority and money was available for its development.

Business Planning

- 6.5 The Working Group felt that it was important that there were clear linkages between strategic plans and supporting plans, particularly in regard to budgets and accountabilities. This was recognised as a key consideration in the move to thematic plans for 2007/08 and a template approach to service planning was taken to try and make good practice consistent. Business planning workshops for service planners were delivered and the corporate centre and directorates talked to one another about this process. The draft Corporate and Thematic Improvement Plans were made available for scrutiny by the relevant Committees/Panels in early 2007 and their comments were taken into account in finalising the documents.
- 6.6 Members were particularly interested in the development of equality and diversity performance indicators. They learned that further work was required to ensure a future community emphasis as well as an internal Human Resources focus. Work in regard to community engagement and social inclusion would be taken forward by a county wide group through the LAA flagship.

Accountability

- 6.7 Recognising the importance of accountability for performance, the Working Group were pleased to learn that this was being promoted through the development of a corporate approach to the Personal Performance Review (PPR) process, cascading from top management. It was important that staff were treated consistently. A cross-cutting team had started to roll out the new PPR process to directorates. Training for reviewers and reviewees was being provided. The initial feedback from staff had been positive, although there might be some staff who felt aggrieved by the process. A more streamlined moderation scheme was being developed for staff who did not agree with the assessment.
- 6.8 In response to Members' questions, it was explained that the SAP system was not developed sufficiently yet to hold/store information from the PPR process and a paper-based system would be used in the interim. Members expressed their concern that the SAP system would not be able to record information from PPRs for another two years. Members felt that this development needed to take place sooner and asked to be kept in touch with progress. However, they noted that data from PPRs was generated every six months, so it would take twelve months for any tangible information to be available.

Evaluation and Self-Review

- 6.9 With regard to evaluating performance, assessing value for money and benchmarking were highlighted to the Working Group as areas requiring further development. Participation in benchmarking through Pricewaterhouse Coopers would show how the County Council compared with various other local authorities.
- 6.10 The Working Group asked about the relationship between performance management and organisational/service review. The Service Review Team and

the Organisational Review Team had been pulled together. They would look at options for future service delivery, and the resources and performance implications, for the County Council to consider in the context of their priorities.

Partnerships

- 6.11 In respect of LAA performance management with partners, Members found that there was agreement in principle to an approach to governance which would support performance management of the LAA. An action plan was in place for implementing performance management arrangements through a performance management group of partner representatives. Members were interested in feedback on integrated ICT to support this.

Role of Overview and Scrutiny in Performance Management

- 6.12 The Working Group were keen that overview and scrutiny should have a clear role in performance management of the LAA. They found that outcomes which were the responsibility of the County Council to deliver would be captured in the Thematic Improvement Plans (which would be subject to scrutiny).
- 6.13 New political management arrangements were proposed for 2007/08 which included revised arrangements for the role of overview and scrutiny in performance management, including scrutiny of the LAA. As the Working Group requested, all overview and scrutiny Members were consulted on the proposed scrutiny committee/panel structure and remit prior to a decision being made.

2007/08 and Going Forward - Delivering Improvement

- 6.14 In 2007/08, the Working Group reviewed the County Council's overall progress with delivering the required improvement in performance management. They found that, in 2006/07, firm foundations had been established for delivering this improvement. For 2007/08, rather than a separate action plan, further performance management improvement actions were built into the Corporate Improvement Plan. In general, the success of corporate improvement activity would be measured against improvement in service delivery.
- 6.15 The line of enquiry about capacity to deliver improvement was also followed by the Budget Scrutiny Working Group. They interviewed the Deputy Corporate Director (People, Policy and Performance) in the course of their work and, as a result, recommended in their final report that the County Council ensured that it had in place the model(s) for the provision of corporate services that supported the management of resources and performance best. Cabinet's response was that a number of saving options included in the 2008/09 Medium Term Financial Strategy involved reviews of corporate services to ensure that the most appropriate model(s) of service support were adopted.

- 6.16 The 2008/09 arrangements are that the operational performance lead officer is the Head of Policy and Performance, who chairs the Corporate Performance Group which includes the Directorate performance lead officers, the Scrutiny and Performance Managers and the lead risk and project management officers. The Terms of Reference for this Group are appended to this report.
- 6.17 In January 2008 the “direction of travel” judgement was that the Authority was progressing well with a rate of improvement faster than that of the county council average.
- 6.18 The Customer Charter was introduced in 2007/08. In 2008/09, associated performance measures will support the implementation of the commitments of the Charter.

Performance Reporting

- 6.19 Members found that phase one of the corporate Performance Management Information System was up and running for 2007/08. Ongoing support was being provided to directorates to explain the system and help them to record and maintain their data, producing reports to support performance management (Development Services and Children and Lifelong Learning Directorates had reduced their performance management resource on the strength of this).
- 6.20 The system included: named responsible officer; target and outturn; a commentary field to show action being taken; and, to provide an audit trail, named the last officer who amended each performance indicator.
- 6.21 The system would provide information on under and over performance, target setting and value for money to inform performance review - there was the potential to set reduced targets according to lower priority areas. (The system stored more information than was used in the reports produced.)
- 6.22 Phase two (building on the work completed and lessons learnt) providing further information was being developed for 2008/09 - additional fields would be included such as: accountable Cabinet Member and a separate commentary field which could be retained for each quarter. Following comment, in particular from Members, the Red/Amber/Green rating and field would automatically populate instead of it being a subjective decision by the responsible officer.
- 6.23 When performance indicators entries were completed at the end of year the system could be “locked down”.
- 6.24 The Working Group gave congratulations to all staff concerned for an outstanding piece of work. They asked about the availability of performance information on the Members’ Intranet and for the public and were informed that this provision was written into the system specification and would be implemented as soon as practicable.

- 6.25 Further scrutiny in respect of this performance management activity area is the subject of the Working Group's Part B - Lifecycle of Performance Indicators Final Report.
- 6.26 The Working Group asked about data quality and found that a strategy for better data quality was being developed, including accountabilities. While the County Council was not ahead of the game it was noted that the external Auditor had audited fewer indicators this year. A data quality risk assessment was being piloted in Development Services, with a view to using this across the Authority.
- 6.27 The corporate Data Quality Policy is now in place and data quality is being embedded within working practices across the County Council, including planning, monitoring and reporting processes. The data quality risk assessment process which was piloted now has no added value as the design of the corporate Performance Management Information System has data quality principles at its core. The system captures the key, corporate indicators and there are designated officers for these indicators who are responsible for data quality and for performance management. Within the monitoring and reporting processes information is taken to Directorate Management Teams, the corporate policy and performance team, the Corporate Performance Group and then to Corporate Management Team, Cabinet and submitted for scrutiny. Through this process all information is quality assured and provides a sound basis for performance management.

Business Planning

- 6.28 Members had been concerned about conformity with the template approach to business planning that had been taken the previous year. So, they were pleased to find that learning from the first year of thematic improvement planning was being applied to shape the corporate support provided for business planning, including the workshops for service planners. Content guidance rather than a template was being provided as a means to ensuring the quality of the next thematic and service plans. Members felt, however, that some consistency of presentation was of value.
- 6.29 The arrangements for corporate support for business planning continue to be refined in the light of experience, each year's workshops are geared to corporate priorities and the needs of service planners. The County Council's draft main business plans continue to be presented for scrutiny each year. In 2008/09, this will take place earlier in their preparation.
- 6.30 Equality and Diversity Performance Indicators have been developed and embedded within the Corporate Equality Plan, the Corporate Improvement Plan and Service Plans (where appropriate). Performance against these indicators is monitored by the Corporate Equality and Diversity Group and reported to Corporate Management Team and Cabinet through the corporate Performance Management Information System. Partnership work on equality and diversity is facilitated through the Staffordshire Equalities Network, chaired by the authority's Corporate Equality and Diversity Officer and made up of equalities practitioners from District and Borough Councils, Staffordshire Fire and Rescue Service, Staffordshire Police, Staffordshire and Stoke-on-Trent Consortium of Infrastructure Organisations and Staffordshire University.

Accountability

- 6.31 As they had requested, the Working Group were updated on progress in this area. They found that the development and deployment of a management development programme informed and driven by a universal PPR process and supported by training was driving improvement in workforce planning and performance management.
- 6.32 The new PPR process enabled the County Council and its employees to: provide the connection between an individual's performance and the Council's priorities identified in service plans; review and improve their performance; and identify and address development needs for them to be more effective.
- 6.33 The information arising from PPR had been taken to be a practice year (while agreement on pay modernisation was awaited) - the information would now be collated and entered on the SAP system.
- 6.34 The County Council has retained Investors in People accreditation.

Evaluation and Self-Review

- 6.35 Members found that a benchmarking strategy was being developed and commented that this should include learning from "good" areas of the authority as well as other "good" authorities. They noted that Development Services had received a four out of four score for the Environment (Comprehensive Performance Assessment) Service Assessment. As a member, along with many other county councils, of the Benchmarking Club project managed by PricewaterhouseCoopers, the Authority shares Best Value Performance Indicator information, to enable comparisons in performance to be made more quickly, easily and more frequently.
- 6.36 The Working Group were made aware that for 2008/09, there was a new set of 198 national indicators with 35 priorities for each area agreed with Government, tailored to local needs through the LAA, plus statutory attainment and childcare targets. They were also informed that a new national performance framework (Comprehensive Area Assessment - CAA) will be introduced in 2009/10 and that preparations are taking place in the Authority for the introduction of this new framework.

Partnerships

- 6.37 Following up on Members' earlier enquiry, it was explained that the corporate Performance Management Information System enabled the delivery of LAA performance management reports in the same way as corporate performance management reports, although it was more difficult to collate all information as partners did not use the same system as the County Council. The Partnerships Scrutiny and Performance Panel consider and can provide comment on these reports. The external Auditors were checking ten of the 35 indicators from roll-out.

- 6.38 With regard to LAA performance management, there was a call in of the 16 April 2008 Cabinet decision to authorise the Leader and Chief Executive to give final approval to the Sustainable Community Strategy and Local Area Agreement prior to their submission to Government Office which was partly focused on governance structures. This was considered by the Corporate Policy Scrutiny and Performance Committee when it was explained that the governance arrangements had been reviewed and a schedule was provided to the Committee listing the individual LAA indicators, the lead officer responsible for their delivery and the Staffordshire County Council portfolio holder with whom overall accountability and responsibility would lie. The Committee resolved that the Leader and Chief Executive be requested to review the governance arrangements for the LAA in the context of District and Borough Council involvement at a strategic level. At the May 2008 Council meeting, the Leader of the Council indicated that the County Council will work closely with its District/Borough partners to ensure delivery of the LAA.

Corporate Performance Management Framework

- 6.39 Towards the end of their work, Members had the opportunity to comment on the draft Corporate Performance Management Framework, which drew together the various aspects of performance management to help councillors, managers and staff understand performance management, contribute to effective performance and take a consistent approach. As they advocated, the final version included information on political accountability and the role of overview and scrutiny, reflected in the agreed Committee/Panel structure and remits.
- 6.40 Overview and scrutiny are responsible for recommending improvements to policy and the way services are delivered to the benefit of local communities. They have a critical role in making sure priorities are being effectively articulated, resourced and delivered in line with agreed targets. The performance report to Corporate Policy Scrutiny and Performance Committee allows them to assess the overall direction of travel for the whole authority and refer issues of concern to the relevant Scrutiny and Performance Committee/Panel for more detailed investigation.
- 6.41 Scrutiny and Performance Committees/Panels are encouraged to consider performance issues when developing their work programmes. Members increasingly focus on issues highlighted through performance reports and undertake investigations into these issues. From this, they develop recommendations, based on evidence and good practice, as to how performance can be improved should the recommendations be implemented.
- 6.42 The Framework is evaluated annually, in line with the corporate improvement requirements of the authority.
- 6.43 The arrangements for scrutiny improvement planning through the Scrutiny Chairs Forum and Scrutiny Development Forum provided a means to review the role of overview and scrutiny in performance management.
- 6.44 In 2007/08, the Budget Scrutiny Working Group also recommended that the County Council continued to work to ensure that the financial management and performance management frameworks were complementary and the

mechanisms for managing budgets and performance integrated to best support the achievement of the County Council's priorities. Quarterly performance reports now include financial information and this integration was one of the drivers for the revised model of budget scrutiny agreed for 2008/09.

7. Implications

- 7.1 Resources and Value for Money - Effective performance management helps the County Council to assess and ensure the effective use of resources and the delivery of value for money.
- 7.2 Equalities and Legal - Effective performance management helps make sure that equalities considerations are embedded in the County Council's activities.
- 7.3 Risk - Not having effective performance management could put at risk the achievement of the objectives of the County Council's Strategic Plan, the Sustainable Community Strategy and the Local Area Agreement (LAA).

8. Acknowledgements

- 8.1 The following officers supported the Working Group:

Sarah Garner	Scrutiny and Performance Support Officer
Rodger Mann	Former Scrutiny and Performance Manager
Peter Nicholls	Former Head of Corporate Organisation Development
Julie Plant	Principal Support Officer, Member and Democratic Services
Nick Pountney	Scrutiny and Performance Manager
Christine Price	Support Officer, Member and Democratic Services
Helen Riley	Deputy Corporate Director (People, Policy and Performance)
Jim Savege	Former Deputy Corporate Director (Human Resources)
Lucy Stratford	Scrutiny and Performance Support Officer.

- 8.2 The Working Group would like to thank:

Jack Barber	Cabinet Support Member - Performance Management and ICT
John Taylor	Leader of the Council
Peter White	Former Cabinet Support Member - Performance and Efficiency.

County Councillor Mark Winnington
Chairman of the Performance Management Scrutiny Working Group
September 2008

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List of Appendices/Background Papers

- Terms of Reference for the Corporate Performance Group (appended)
- Minutes of the Corporate Policy Scrutiny Committee meeting - 12 June 2006
- Terms of Reference for the Performance Management Scrutiny Working Group
- Corporate Assessment Key Lines of Enquiry (February 2006)
- Diagram of planning architecture/policy structure
- Performance Management Update to Corporate Policy Scrutiny Committee - 12 September 2006
- Performance Management Update to Corporate Management Team - 23 October 2006
- Performance Management Action Plan 2006/07
- Development of a Corporate Performance Management Information System Progress Reports to Corporate Policy Scrutiny Committee - 11 December 2006 and 12 March 2008
- Corporate Performance Management Information System Project Highlight Report
- Personal Performance Review Update and documentation (22 January 2007)
- Corporate Improvement Plan 2007/08
- Corporate Performance Management Framework
- Notes of the meetings of the Performance Management Scrutiny Working Group held on:
 - 3 November 2006
 - 18 December 2006
 - 22 January 2007
 - 19 March 2007
 - 5 October 2007
 - 11 January 2008
 - 11 April 2008

CORPORATE PERFORMANCE GROUP

The Corporate Performance Group is a group of officers which meet quarterly with the purpose to improve the performance management function across the Authority.

Membership of the group includes those officers who work in a planning, performance, finance, research, scrutiny and risk management based environment.

The key activities of the Group, agreed on the 10/03/2008, focus around the following work streams:

1. Business Planning Process
2. Performance Management Process
3. Development/Support of the inspection regime (internal and external)
4. Communications
5. Corporate response to Performance Management issues
6. Sharing best practice and learning (focusing on use of performance management)
7. Value for Money
8. Raising the reputation of the organisation (i.e. grants and rewards).

Corporate Policy Scrutiny and Performance Committee

**Performance Management Scrutiny Working Group
Part B - Lifecycle of Performance Indicators Final Report**

1. Comments and Recommendations

National Performance Indicators

- 1.1 Members concluded that the general nature of many of the national indicators often meant that they did not seem to be the most effective way of measuring the Authority's performance in a particular area.

Recommendation 1

The Working Group recommends that the County Council ensures, where necessary, that a local/proxy indicator is developed to support the national indicator and that the Performance Management Information System (PMIS) is developed so that it links to the appropriate national indicator.

Prioritisation

- 1.2 The Working Group was concerned that, at least one of the indicators considered on the day was included in a Thematic Improvement Plan (TIP), as a priority, despite the service to which it relates having its budget reduced – which is a contradiction.

Recommendation 2

The Working Group recommends that the Authority ensure that the processes in place for developing the TIPs and Corporate Improvement Plan (CIP), and the indicators within them, reflect the Authority's priorities for that thematic area. In particular, that the Authority's Scrutiny Committees/Panels undertake a fuller role in the scrutiny of the TIPs/CIP before they are approved.

Portfolio Holder Ownership

- 1.3 Members noted that there is a lack of clarity regarding Portfolio Holder involvement in the setting and approval of targets.

Recommendation 3

The Working Group recommends that procedures are established to ensure that the relevant Portfolio Holder is involved in establishing an appropriate target for each of the TIP/CIP indicators for which they are responsible. The Working Group also recommends that a protocol is established that requires all targets to be signed off by the relevant Portfolio Holder and that these targets reinforce the Authority's priorities.

Target Setting

- 1.4 The Working Group was concerned at the robustness of some of the targets set for performance indicators. For the Authority's performance management arrangements to be effective, in particular the role of scrutiny, targets must be challenging. Members were particularly concerned at targets being reduced because funding to a particular service had also been reduced.

Recommendation 4

The Working Group recommends that the Authority ensures that more robust methods for setting targets for performance indicators included in the TIPs and CIP are developed and adhered to. These methods must ensure that targets reinforce the Council's priorities.

Resources

- 1.5 The Working Group noted the differing levels of resource allocated to Performance Management within the Directorates.

Recommendation 5

The Working Group recommends that the Executive reviews the resource allocated to performance management within the Directorates, with a view to ensuring that the performance management function is value for money. The Portfolio Holder is requested to report back to Corporate Policy regarding the outcome of this review.

RAG Rating

- 1.6 Members concluded that further consideration needs to be given to the 5% tolerance for the RAG rating.

Recommendation 6

The Working Group recommends that the Authority review the 5% tolerance for the automatically generated RAG rating and report back to the appropriate meeting regarding the outcome of this review – including the reasons for setting the RAG rating tolerance at a particular level.

Operation of PMIS

- 1.7 Taking into account all the above conclusions and recommendations the Working Group concluded that, overall, they are happy with the operation of the PMIS.

2. Setting the Scene

- 2.1 The 2005 Comprehensive Performance Assessment identified performance management at Staffordshire County Council as an area requiring improvement. Since then, new performance management arrangements have been put in place. The new arrangements include a corporate Performance Management Information System (PMIS) and a central, coordinating role for the Corporate Policy Scrutiny and Performance Committee who receive quarterly reports detailing performance against the performance indicators in the Thematic Improvement Plans (TIPs) and the Corporate Improvement Plan (CIP).
- 2.2 In 2005, the Corporate Policy Scrutiny and Performance Committee resolved to establish a Performance Management Scrutiny Working Group to review the progress made in developing and implementing the County Council's

performance management arrangements and the effectiveness of these arrangements.

- 2.3 Since May 2007, the Corporate Policy Scrutiny and Performance Committee has received four performance reports (in September 07, December 07, April 08 and July 08). As well as considering them from the point of view of performance, Members have considered the format and clarity of the information provided.
- 2.4 In December 2007, the Committee initially agreed that their Chairman and Vice-Chairman would track the 'lifecycle' of selected performance indicators that appear in the quarterly performance reports. However, at their meeting on the 11th April 2008 the Performance Management Scrutiny Working Group received a presentation on phase 1 PMIS which was in operation, and on the prototype phase 2 PMIS which was due to be rolled out in May 2008. Members expressed their satisfaction at the system's operation. They agreed then that, as their final piece of work, they would undertake an audit of the 'lifecycle' of a set number of performance indicators, with two selected from each thematic area. The purpose of this scrutiny activity would be to:
- help the Committee in their performance management role through reaching a better understanding of how information is generated through the PMIS; and
 - analyse this process in order to contribute to improved quality assurance and further development of the County Council's performance reporting.
- 2.5 Members agreed to undertake the scrutiny via a focused scrutiny inquiry day on 8th August 2008.

3. Terms of Reference

Membership

- 3.1 All Members of the Performance Management Scrutiny Working Group were invited to attend the inquiry day. The following Members attended:
- Councillor Mark Winnington (Chair)
Councillor Gill Heath
Councillor Frank Lewis
Councillor Mike Maryon
Councillor Jim Muir
Councillor Jack Barber (Support Member for Performance Management and ICT) also attended as an invited guest.
- 3.2 Members were supported by Lucy Stratford, Scrutiny and Performance Support Officer and Nick Pountney, Scrutiny and Performance Manager with responsibility for the Corporate Policy Scrutiny and Performance Committee.

Key Objectives

- 3.3 The key objectives were to:
- scrutinise the 'lifecycle' of selected performance indicators that appear in the quarterly performance reports provided to Cabinet and the Corporate Policy Scrutiny and Performance Committee;
 - share any learning with the Corporate Policy Scrutiny and Performance Committee, to help them in their performance management role; and
 - make constructive comments on the process and nature of performance information generated through the PMIS that, if acted upon, will contribute to improved quality assurance and further development of the County Council's performance reporting.

Scope

- 3.4 The performance indicators scrutinised, chosen at random from each TIP and the CIP were:

Sustainable Development

DWM 12 - Residual household waste per household (NI 191)

DPT 3 - Working age people with access to employment by public transport (and other specified modes) (NI 176)

Economic Development and Enterprise

DER 2 - Jobs created or supported through County Council Enterprise Centres

DER 5 - Number of businesses assisted through the County Council's Staffordshire Business and Environment Network (SBEN) activities

Safer and Stronger

XCS 9 - Repeat Incidents of Domestic Violence (NI 32)

DRS 2 CAS 04 - The number of children killed or seriously injured on the roads in Staffordshire (expressed as a 3 year rolling average) (NI 48)

Children and Young People

CSE 3 - Children in care achieving 5 A*-C GCSEs (or equivalent) at Key Stage 4 (including English and Maths) PSA 11 (NI 101)

CSI 53 - 16 to 18 year olds who are not in education, training or employment (NEET) PSA 14 (NI 117)

Corporate Improvement Plan

XC 1.3.1 - % of ICT support requests successfully resolved (Incident Management)

XC 6.2 - % of complaints received and responded to within agreed timescales

Healthier Communities and Older People

SOC 135 - Carers receiving needs assessment or review and a specific carer's service, or advice and information (NI 135)

SOA 142 - Number of vulnerable people who are supported to maintain independent living (NI 142*)

3.5 Members scrutinised each element of the 'lifecycle' of the selected performance indicators, including:

- how the PMIS system is utilised within the relevant Directorates and their service areas, including accountability arrangements;
- the methods of data collection for each indicator;
- how the data is entered on the system; and
- how decisions are taken in relation to subjective data entry (projected outturn, red/green/amber, trend and commentary).

4. Methods of Investigation

4.1 The Chair of the Performance Management Scrutiny Working Group, with advice from the Scrutiny and Performance Manager, decided to undertake the scrutiny of the lifecycle of selected performance indicators via a focused scrutiny inquiry day.

4.2 Two indicators from each of the Council's TIPs and the CIP were selected, at random, for review. The scrutiny inquiry day was divided into 45 minute sessions for the consideration of each set of two indicators. An introductory session, setting out background and context, and a closing session, to discuss recommendations were also scheduled.

4.3 Relevant officers from Directorates were invited to attend for each of the sets of indicators. The officers invited were:

- the performance lead officer for each indicator (each Directorate has a performance lead officer who ensures that performance management takes place);
- the Responsible Officer for each indicator (i.e. the person who is responsible for both the data on PMIS in relation to that indicator and for the Council's performance against it); and
- those responsible for data entry on the PMIS system.

In some cases the above officers were unable to attend so Directorates made arrangements for either a substitute to attend or a written briefing to be provided to the performance lead officer. A full list of those officers who attended for each indicator is attached at appendix one.

5. Findings

- 5.1 Members' considerations are set out below. Where appropriate, these considerations are illustrated with examples that were discussed on the day. Members met again on the 10th September to agree the recommendations and conclusions set out in paragraph one of this report.

Relevance and Usefulness of the Performance Indicators

- 5.2 Members identified a number of issues regarding the definitions of the indicators. In some instances this led to Members concluding that the indicator is not a useful measure of the Council's performance.

Example 1

The indicator which measures the number of children killed or seriously injured on roads in Staffordshire (DRS 2 CAS 04) includes those children killed or injured on roads which are outside of the Authority's control (motorways / major trunk roads) and which are the responsibility of the Highways Agency. The target for this indicator is so low that even a small fluctuation in the overall numbers has a significant impact on the percentage total. Therefore, a single tragic incident on the M6 (which is outside the Authority's control) could have a significant impact on the Authority's overall performance against this indicator. Members asked whether it was possible to measure only those incidents on roads within the Authority's control, but the way the indicator is defined is decided nationally and, therefore, we cannot change it.

Example 2

Indicator DPT 3 / NI 176 – which measures working age people with access to employment by public transport (and other specified means) was devised and defined by the Department for Transport. It is a national indicator, defined in the same way for all Local Authorities, to enable comparative benchmarking. However, this does mean that variations in geography are not taken into account – so the minimum distance that an individual would have to walk to a bus stop to be deemed to 'have access to employment' does not vary dependent on whether you are in a highly developed urban area or a predominantly rural area – which could affect the way our performance is perceived. The indicator does not take into account all the ways in which the Authority is supporting access to employment (for example, Wheels to Work). However, although the limitations of this indicator were acknowledged by the officers it is the national definition and, therefore, it is the measure we have to use.

- 5.3 There were other indicators where similar issues were identified. However, in all cases Members were informed that the indicator and its definition are decided nationally and the Council has no authority to change them.

Target Setting / Portfolio Holder Ownership

- 5.4 Members identified some issues with the way that, once the indicators have been agreed, targets are set for them. These issues included:
- targets not being set because data has not been made available by Government;
 - a lack of clarity regarding who proposes and / or approves the targets, in particular whether the relevant Portfolio Holder contributes to target setting and/or signs off final targets;
 - questions regarding the reasoning behind some of the targets; and
 - targets not being challenging enough.

Example 1

For indicator DER 2 – jobs created or supported through County Council Enterprise Centres - the target for this year is only 130 higher than last year's outturn. Targets for current year +1 and +2 are even less stretching. Officers explained that the targets are low as after this year there are no further business centres agreed; therefore huge growth is not anticipated. Members acknowledged this but identified a tension between setting realistic but also challenging targets. They questioned the value, in terms of improving performance, of setting targets based on the fact that they are thought to be achievable.

Example 2

For indicator DER 5 – the number of businesses assisted through the County Council's SBEN activities – the target for this year is actually lower than the outturn for last year. Officers explained that this was because of a reduction in their core funding from the Council. In light of this, the target remains challenging and, in terms of 'value for money' does represent improvement. Members questioned whether indicators should be included in TIPs if the Council has made a decision to reduce funding – thus, indicating something is not a priority. Members also made the point that reducing the target and, therefore, ensuring the indicator remains 'green' means Members will never receive an exception report even if performance is actually declining.

Resources

- 5.5 Members established, during the course of the day, that Directorates have allocated differing levels of resource to performance management. Members particularly noted that the Development Services Directorate has only allocated a single officer, who has other responsibilities, to centrally coordinate performance management while the Social Care and Health Directorate has a 'central' performance management with support from performance managers in each of the districts.

Red / Amber / Green (RAG) Rating

- 5.6 Members were informed that the RAG rating on PMIS is now calculated automatically based on the information input by Directorates. As a result, Members noted that some of the indicators were shown as 'green' i.e. performing on target, even though they were projected to perform under target. This is because there is a 5% 'tolerance' level set up on PMIS. In the case of indicator XC 1.3.1 (% of ICT support requests successfully resolved – Incident Management), which is currently projected to perform under target but within the 5% tolerance, the officer present indicated that the Directorate would have provided an amber RAG rating – not green.

6. Implications

- 6.1 Resources and Value for Money – Without effective performance management arrangements the Authority cannot prioritise resources effectively, to ensure it delivers high quality, value for money, services.
- 6.2 Equalities and Legal – There are no equalities / legal implications.
- 6.3 Risk – That the Authority will not have adequate performance management arrangements in place.

7. Acknowledgements

- 7.1 The following officers supported the Scrutiny Inquiry Day:

Lucy Stratford	Scrutiny and Performance Support Officer
Nick Pountney	Scrutiny and Performance Manager
Helen Riley	Deputy Corporate Director (People, Policy and Performance)

- 7.2 The Working Group would like to thank all those officers who attended the Scrutiny Inquiry Day to talk about their role in relation to performance management. .

Mark Winnington - Chairman of the Performance Management Working Group

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List of Appendices/Background Papers

- Minutes of the meeting of the Corporate Policy Scrutiny and Performance Committee 10 December 2007.
- Minutes of the Performance Management Working Group: 11th April 2008.