

# **Taunton Deane Borough Council**

**Executive - 16 September 2009**

## **Proposals for improving Performance Management**

### **Report of the Performance and Client Lead**

(This matter is the responsibility of Executive Councillor Nicola Wilson)

#### **1.0 Purpose**

- 1.1 The purpose of this report is to summarise proposals to improve and strengthen how we monitor and manage the performance of all Council services.

#### **2.0 Background**

- 2.1 Ensuring the right things are being measured is an essential part of any effective performance management arrangement. Systems must be in place to ensure performance against measures can be calculated and collated regularly, as well as being reported to decision makers in a timely manner in a way that is easy to understand, interpret and deal with as necessary.
- 2.2 The proposals summarised in this paper will strengthen how we use the performance information to demonstrate that we are using it to drive forward improvement and deliver efficiency savings across the Council. The proposals will change the format of Performance Reports and the process for presenting these reports to Members.

#### **3.0 Summary of proposals**

##### **3.1 Format of the Performance Report**

- 3.11 In future, the Performance Reports will be produced using the exception principle, namely, only providing detail on those areas of concern (poor or deteriorating performance) but also highlighting areas of excellent performance and summarising positive outcomes which are being delivered for the community.
- 3.12 We are also proposing to introduce a Performance Dashboard of not more than two sides of A4 which will pull together performance information for an area and provide a summary of performance across the area. The aim is to make it simple to understand. The appendices will provide the detailed information behind the Dashboard and summarise issues and actions as necessary.

### 3.2 The Performance Report will be summarised into three main areas:-





- 3.21 **Corporate Strategy** – detailing delivery and progress of the Corporate Strategy. This will include progress toward aims, objectives and key activities as well as results against performance indicators identified in the strategy.
- 3.22 **Operations** – measuring the performance of business areas and operations critical to the effectiveness of the organisation. Included within operations will be the monitoring of National Indicators which fall within the scope of the service. It is recognised that we need to overhaul the existing local performance indicators we manage, this will be done as part of the review of service planning in the autumn.
- 3.23 **Finance** – detailing current financial position including; revenue spending against budget, capital position and levels of reserves.
- 3.24 The performance of key partnerships will not be reported separately instead, their contribution to delivery against the three main areas of the report will be detailed within these sections.
- 3.25 As part of the new reporting format, we have clarified roles and responsibilities for the new performance management arrangements, including responsibility for the national indicators and local performance indicators (see Appendix 1).

### 4.0 Measuring Performance

- 4.1 Where it will be possible and helpful performance information contained within the report, will be based on a **forecast** of what is likely to be achieved at the end of the year, based on current levels of performance. Actual performance can be measured within the Service Performance Reports.
- 4.2 Indicators will be measured in a number of ways: by comparing forecast with target; by assessing progress since the previous year (direction of travel); and how performance compares relative to others (this can only be done annually).

### 5.0 Assessment of Performance

- 5.1 A four band traffic light scheme will be used to summarise performance. Four bands, rather than the traditional three bands, allows for a better assessment of performance exceptions and will show quickly where resources could be reallocated to drive improvement in underperforming areas. The performance bands proposed are as follows:-

-  10% or more above target (green star – solid colour)
-  on target and up to 10% above (green star – outline)
-  up to 5% below target (amber triangle – outline)
-  more than 5% below target (red triangle – solid colour)

5.2 Where performance against any measure is shown to be an issue commentary in the form of key messages will be provided. These key messages will be expected to identify the reasons behind current performance levels as well as actions being undertaken to improve performance. These comments will be produced by the Theme Manager responsible for the area in question (see above). The comments will be agreed with the relevant Portfolio Holder as detailed in the Performance Cycle section in Appendix 2 which is graphically summarised in Appendix 3.

## **6.0 Partnerships**

6.1 The proposal is to include the performance monitoring of key partnerships as part of the monitoring report during 2010/2011. The partnerships would include Southwest One, Somerset Waste Partnership, Tone Leisure and South West Audit Partnership.

## **7.0 The role of the Performance and Client Team**

7.1 Apart from producing the Quarterly Report, it is proposed that the Performance and Client Lead and Performance and Client Officer develop a closer working relationship with each of the new Theme Managers.

7.2 It is proposed that there is a quarterly meeting with the Performance and Client Lead, the Finance Lead for the service area, the Theme Manager, the Service Accountant and relevant Portfolio Holder once the performance data has been collated and before the Quarter Report is drafted. At this meeting the performance of the service and budget monitoring will be discussed and relevant actions to tackle performance and finance issues agreed. Those actions will then form part of the appendix in the Performance Report. Following this meeting, a similar meeting will need to be held with the Shadow Portfolio Holder or there may be a joint meeting with the Portfolio Holder as appropriate and subject to discussion with the Theme Manager.

## **8.0 Timetable for Performance Reporting**

8.1 It is proposed to introduce a system which produces exception reports, highlighting issues and service areas which are not achieving the set targets. Therefore, the Quarter One Report will be a highlight report, only summarising those areas where services are not on target for meeting set indicators and summarising the reasons why and actions to be taken to remedy the situation.

- 8.2 The Quarter Two Report will be a more in depth report, again focusing on areas where performance is not being achieved, highlighting excellent performance and outcomes which have been delivered as well as summarising any predictions for the end of the year. The Quarter Three Report will again be a highlight report, summarising progress and areas for concern. The Outturn Report will again be a more in depth study of performance over the year, again focusing on areas for concern, highlighting excellence and outcomes as well as issues to be dealt with. The Outturn Report will then feed into the development of the next Corporate Strategy.
- 8.3 To manage the organisation more effectively we may decide to produce high level performance summaries on a more regular basis, for example monthly. This discussion will need to take place at the new Theme Managers, the introduction of any new reporting must enable service improvement and not just simply provide information.

## **9.0 Timetable for implementation**

- 9.1 These proposals have now been discussed with CMT and Core Council Managers where they have been supported.
- 9.2 The Corporate Scrutiny Committee discussed this proposal on 3 September 2009 and suggested a couple of improvements, firstly that the performance statistics are provided next to the traffic light scheme and secondly that we try to make the Performance reporting cycle tighter. The Performance reporting cycle is determined by the speed at which services provide performance information and preset the Committee timetable.
- 9.3 The suggested timetable is summarised below (more detail is provided in Appendix 3):-

<b>Who</b>	<b>When</b>
Report to Corporate Scrutiny Committee	3 September
Report to Executive	16 September
Report to Corporate Governance Committee	28 September
New process to be used in Quarter 3 monitoring report	December
News style report to be used in Quarter 3 monitoring report	February/March 2010
Launch of new performance monitoring and performance management regime	1 April 2010

## **10.0 Effect on corporate priorities**

- 10.1 As this report covers all aspects of the council's performance, all corporate priorities are affected.

## **11.0 Recommendation**

It is recommended that the Executive supports the proposals for improving performance management.

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# Appendix 1

## Roles and responsibilities for LAA, national indicators and local performance indicators

### 1.0 Information Owner: Theme Manager

#### 1.1 Responsible for:

- 1.11 Developing service specific local performance indicators as part of Service Plan.
- 1.12 Responsible for developing and maintaining robust systems to collect LAA, national indicators and local performance indicators.
- 1.13 Owning and monitoring the performance indicators.
- 1.14 Contributing to and monitoring any relevant LAA Delivery Plans.
- 1.15 Providing updates to the Performance and Client Team within **10 working days** of the end of the quarter.
- 1.16 Meeting all deadlines for providing data to central Government Departments.
- 1.17 Completing the data quality sheet for each performance indicator by 30 June of the following financial year.

### 2.0 Performance and Client Team

#### 2.1 Responsible for:

- 2.11 Developing an annual timetable for LAA and national indicator monitoring.
- 2.12 Uploading national indicator data to the HUB.
- 2.13 Collating Taunton Deane Borough Council performance indicators and producing quarter monitoring reports for CMT, Executive and Scrutiny.
- 2.14 Meeting Quarterly with each Theme Manager and Portfolio Holder.
- 2.15 Working with services to enable and deliver service improvement and efficiency savings.
- 2.16 Advice and support to Theme Managers.

## Appendix 2

### The Performance Reporting Cycle

#### 1.0 Background

- 1.1 An effective reporting cycle ensures that information is presented to the right people at the right time. This will ensure that performance measurement information is used effectively to performance manage the organisation.

#### 2.0 Performance Reporting Cycle

- 2.1 Corporate performance reports will be produced on a quarterly basis; July, November, January and June. The reports will contain details of performance information relating to those areas identified as most important to the delivery of priorities and the effective running of the organisation.
- 2.2 Each of these reports will follow the same reporting cycle with clear roles and responsibilities being assigned at each stage.

#### 3.0 Report Drafting

- 3.1 The Corporate Performance Report will be produced and collated by the Performance and Client Team. Information will be supplied by Theme Managers using data already collected to inform service plan monitoring process in their area.
- 3.2 Information will be collated within 10 working days from the receipt of the performance data from the Theme Managers at the end of each quarter. Performance against indicators and measures will be supplied **automatically** to the performance team together with key messages in support of those areas registering as performance exceptions.

### Roles and responsibilities

#### 4.0 Corporate Management Team (CMT)

- 4.1 CMT to review report, dashboard and appendices focusing on those areas identified as performance exceptions.
- 4.2 CMT to discuss performance exceptions in detail, reviewing and enhancing key messages where appropriate.
- 4.3 Theme managers to agree key messages with relevant Portfolio Holder following CMT.

## **5.0 Executive**

- 5.1 Performance and Client Team to present report to Executive Board. Report to be 'sponsored' by the Leader of the Council.
- 5.2 Executive should focus on those areas identified as performance exceptions. Portfolio holders should present to, the Executive and comment on, the performance exceptions falling within their area of responsibility. In addition Theme Managers will be available to add additional detail where appropriate.
- 5.3 Executive should agree actions deemed necessary to address areas of poor and deteriorating performance.
- 5.4 Executive actions to be added to the report by the Performance and Client Team.

## **6.0 Scrutiny**

- 6.1 The role of Scrutiny is not to review the full performance report, but rather to hold the Executive to account by reviewing those actions agreed at Executive in relation to performance exceptions.
- 6.2 Corporate performance team to present the performance report to the Scrutiny Committee.
- 6.3 Scrutiny Committee to review Executive actions and discuss effectiveness over time. Where the Scrutiny Committee continues to have ongoing concerns regarding the performance of a service area it may be necessary for a Scrutiny review of the service to be scoped.
- 6.4 Comments and actions arising from the Scrutiny Committee should be fed back to CMT and Executive.



**Appendix 3**

**Proposed Performance Reporting Cycle for TDBC**

**"Golden Thread" for TDBC**

**Performance indicators**

**Performance reporting cycle for TDBC**

