

**WYRE FOREST DISTRICT COUNCIL**

**CABINET MEETING**  
**THURSDAY 28 JULY 2005**

**Performance Management Framework**

<b>OPEN</b>	
<b>COMMUNITY STRATEGY THEME</b>	Internal Organisational Theme
<b>CORPORATE PLAN THEME:</b>	Improving Corporacy and Performance
<b>KEY PRIORITY:</b>	Organisational Performance
<b>CABINET MEMBER:</b>	Councillor John-Paul Campion
<b>RESPONSIBLE OFFICER:</b>	Corporate Performance Advisor
<b>CONTACT OFFICER:</b>	Peter Jones Ext 2723
<b>APPENDICES</b>	Performance Management Framework

**1. PURPOSE OF REPORT**

1.1 To adopt a revised Performance Management Framework.

**2. RECOMMENDATION**

The Cabinet is asked to **RECOMMEND** to Council that:

- 2.1 The Performance Management Framework in the Appendix to this report be adopted with immediate effect;
- 2.2 Action to implement the Framework be taken in accordance with paragraph 4.2 below.

**3. BACKGROUND**

- 3.1 The Council adopted a Performance Management Framework (PMF) in 2002, which outlined monitoring arrangements for Divisional Service Business Plans and performance indicators.
- 3.2 Since then, the number of other plans and strategies has increased considerably and the emphasis nationally on performance management has grown as a result of Comprehensive Performance Assessment (CPA) of all councils.
- 3.3 Performance management is one of the improvement priorities contained in this Council's post-CPA Improvement Plan and it is also one of KPMG's (external auditor) priorities in the Audit & Inspection Plan for 2005/06.
- 3.4 A more comprehensive PMF has therefore been developed to address these issues and to further support the drive for continuous improvement in services.

#### 4. KEY ISSUES

- 4.1 The revised PMF is attached as an **Appendix** to this report and takes a broader, more rounded approach to performance management rather than concentrating solely on monitoring.
- 4.2 The focus therefore is on ensuring that performance management is “embedded in the culture of the organisation” (recommendation in the CPA Inspectors’ report, 2004), for which a series of actions has been identified in the new PMF:
- a) Maintain awareness of the Council’s Vision
  - b) Ensure our corporate Values are reflected in policies and practices
  - c) Ensure that responsibility for delivering individual and cross-cutting services is clearly understood
  - d) Monitor Members’ and officers’ training needs continuously
  - e) Implement the new competency-based framework for management development
  - f) Show a clear link between the Council’s priorities and allocation of resources
  - g) Maintain an updated record of Plans and Strategies on the Council’s intranet
  - h) Ensure there is a clear link (‘Golden Thread’) between the Corporate Plan, Service Business Plans and individual Employee Development Reviews
  - i) Agree and publish service standards
  - j) Implement new *Covalent* performance management software corporately
  - k) Monitor performance in accordance with Table 2 in the PMF (subject to any refinements and developments which may be required over time)
  - l) Take any necessary corrective action following monitoring, and maintain a record of action taken
  - m) Continue to consult stakeholders
  - n) Publish service outcomes resulting from the above
- 4.3 New computer software (see ‘j’ above) is now in place and is gradually being rolled out across all Divisions. This is a medium term programme (up to three years), which will improve monitoring and reporting of performance results. Relevant officers have received basic instruction and training for both officers and Members will be provided later this year as use of the system increases.
- 4.4 It is likely that this PMF will develop in the light of experience, and adjustments will therefore be made as appropriate to ensure that it is fit-for-purpose and reflected in every day practice.

#### 5. FINANCIAL IMPLICATIONS

- 5.1 There are no direct financial implications arising from this report.

#### 6. LEGAL AND POLICY IMPLICATIONS

- 6.1 Implementation of this PMF builds on existing performance management policy and practice. There are no direct legal implications.

## **7. RISK MANAGEMENT**

- 7.1 Failing to act in upgrading our performance management arrangements would make it harder to achieve service improvements and would be likely to result in an adverse audit report.

## **8. CONCLUSION**

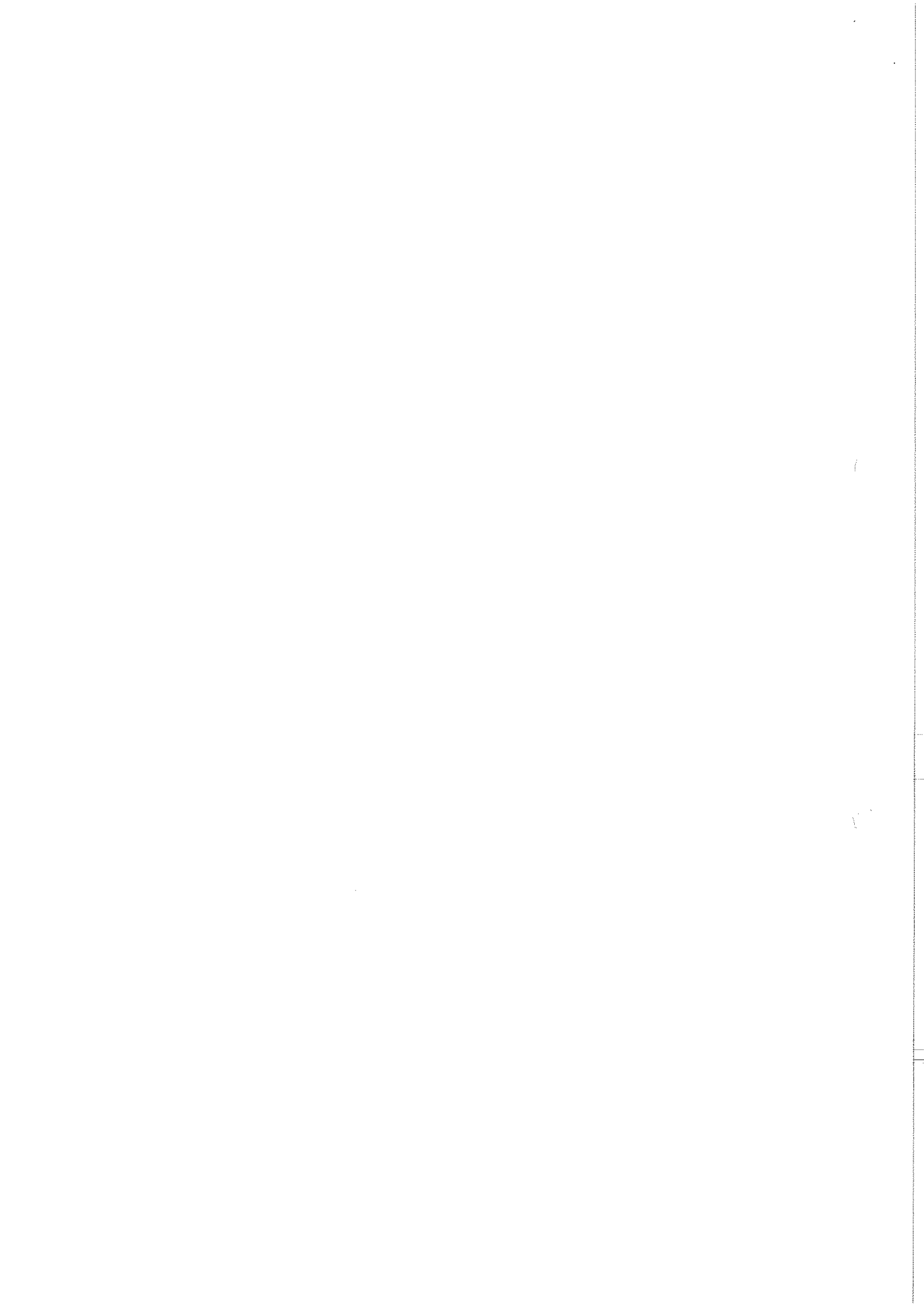
- 8.1 Performance management underpins everything we do as a Council and it is essential that it is carried out as effectively as possible to secure the best possible service outcomes.
- 8.2 Adoption of the new PMF will help to improve internal practices and external service delivery.

## **9. CONSULTEES**

- 9.1 Leader of the Council; Cabinet Member for Finance & Corporate Affairs; CMT.

## **10. BACKGROUND PAPERS**

- 10.1 Performance Management, Measurement & Information Project (*Audit Commission and IDeA*)
- 10.2 Corporate Performance Management Project (*WMLGA*)
- 10.3 CPA Report (WFDC) (*Audit Commission*)
- 10.4 Audit and Inspection Plan 2005/06 (*KPMG and Audit Commission*)





## PERFORMANCE MANAGEMENT FRAMEWORK

### What is Performance Management?

1. Performance management is about making sure we provide:

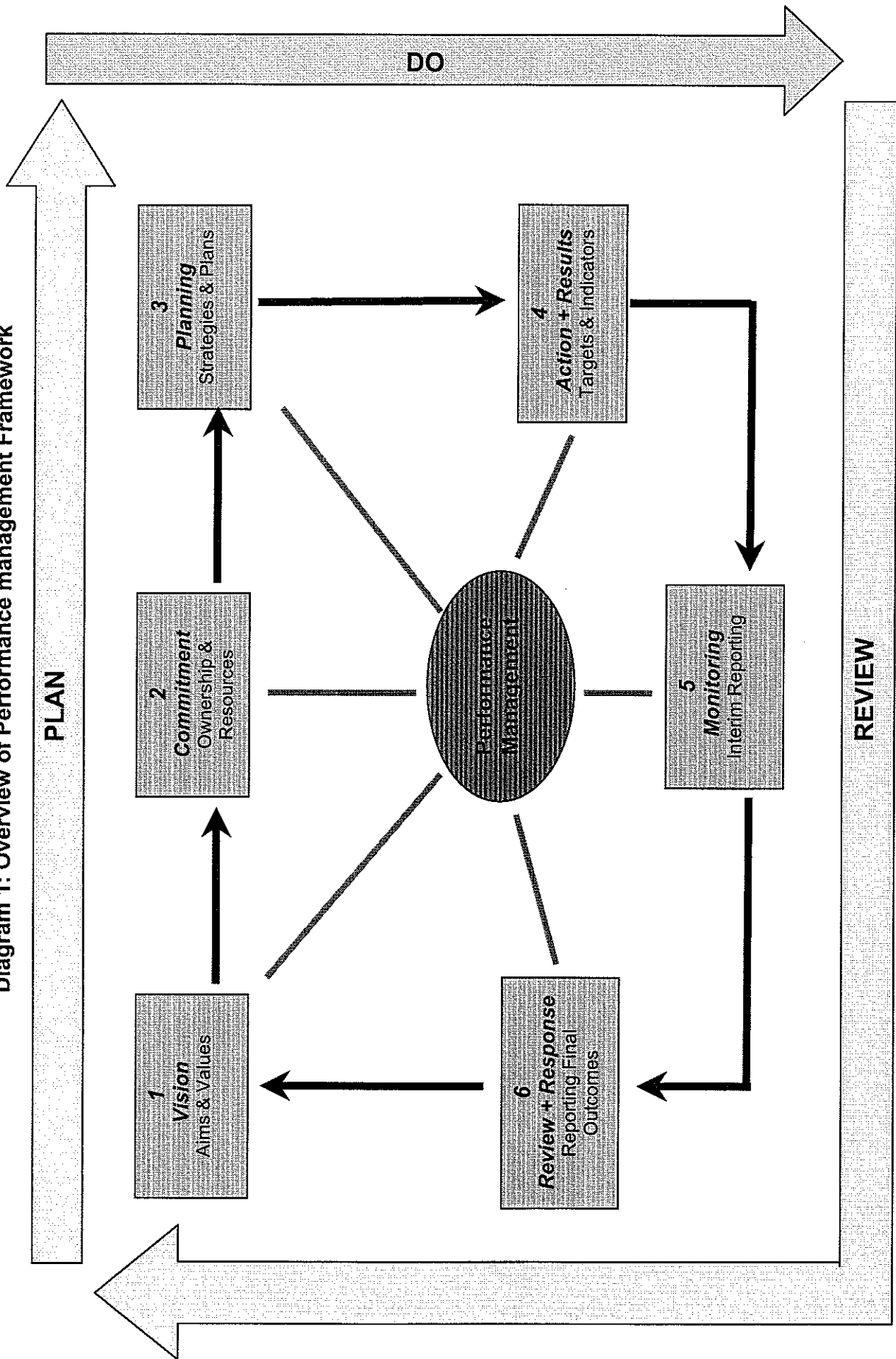
- ✓ **the right services**
- ✓ **at the right time**
- ✓ **in the right way, and**
- ✓ **at the right price.**

It is also about **improving services** - *"taking action in response to actual performance to make outcomes better than they would otherwise be"* (IDeA).

2. It applies to everyone within the organisation as well as our external partners, with whom we provide an increasing number of services.
3. Performance management follows the sequence of **Plan → Do → Review**.
  - **Plan** means being clear about what we are setting out to achieve and how we are going to achieve it
  - **Do** means putting our plans into action in the most efficient and effective way
  - **Review** means monitoring results to ensure that:
    - we achieve what was planned and to the agreed standard
    - we have relevant and timely information to feed back into the planning process
    - we can compare our performance with other service providers, and
    - we can inform stakeholders accordingly.
4. In Wyre Forest, we have combined these elements into a Performance Management Framework to make it easier to see what action is taken, by whom and when. This is set out as follows:
  - **Diagram 1** provides an overview of the key performance management steps to be taken
  - **Table 1** shows where these fit within the Council's documents and processes
  - **Table 2** summarises performance monitoring frequency, and
  - **Table 3** sets out a calendar for reporting performance to Members.
5. Performance management is a dynamic process and the Framework can therefore be expected to develop further over time in the light of experience and any new statutory requirements and strategies adopted by the Council.

Further information can be obtained from Peter Jones, Corporate Performance Advisor, Strategy and Performance Unit (ext 2723)

Diagram 1: Overview of Performance management Framework



**Table 1: Performance Management in WFDC**

	<b>What</b>	<b>Where / How</b>
<b>PLAN</b>	<b>1. Vision</b>	<ul style="list-style-type: none"> <li>• Community Strategies (County and District)</li> <li>• Corporate Plan (Council)</li> </ul>
	<b>2. Commitment</b>	<ul style="list-style-type: none"> <li>• Constitution</li> <li>• Political and organisational structures</li> <li>• Financial and Human Resources Strategies</li> </ul>
	<b>3. Planning</b>	<p style="text-align: center;"><u>External / Partnership</u></p> <ul style="list-style-type: none"> <li>• National &amp; Regional Priorities</li> <li>• Community Strategies</li> <li>• Other Partnerships</li> </ul> <p style="text-align: center;"><u>Council</u></p> <ul style="list-style-type: none"> <li>• Corporate Plan</li> <li>• Service Business Plans</li> <li>• Employee Development Reviews (EDRs)</li> <li>• Budget (including Efficiency Statements)</li> <li>• Local Priorities – Key Commitments</li> <li>• Improvement Plan (post-CPA)</li> <li>• Best Value Performance Plan (incl PIs)</li> <li>• Annual Audit &amp; Inspection Plan</li> <li>• Corporate Governance Framework</li> <li>• Corporate Risk Register</li> <li>• Training Plan</li> </ul>
<b>DO</b>	<b>4. Action and Results</b>	<ul style="list-style-type: none"> <li>• Delivering services with regard to:               <ul style="list-style-type: none"> <li>- Agreed minimum standards</li> <li>- Targets for improvement</li> <li>- Performance indicators (measures)</li> <li>- Customer feedback</li> </ul> </li> </ul>
<b>REVIEW</b>	<b>5. Monitoring</b>	<ul style="list-style-type: none"> <li>• Partners (external)</li> <li>• Audit and Inspection (external)</li> <li>• Cabinet</li> <li>• Committees &amp; Panels</li> <li>• Corporate Management Team</li> <li>• Divisional Management Teams</li> <li>• Individual EDRs</li> </ul>
	<b>6. Review &amp; Response</b>	<ul style="list-style-type: none"> <li>• Taking any corrective action required</li> <li>• Informing stakeholders</li> </ul>

Further information on these is given below.

## 1. Vision

Performance management begins with a clear vision. The Council and its partners in *Wyre Forest Matters* have agreed the following shared vision:

***By working together, Wyre Forest in 2014 will be a prosperous District where everyone can thrive at work and at play, at home and in the community, and can learn and develop throughout their lives in a safe, attractive and healthy environment.***

The Council's corporate Vision, which is consistent with the above, is contained in the Corporate Plan *Building A Better Future 2003-08*:

***We want Wyre Forest to be a District with healthy, safe and flourishing communities that are supported by a strong and diverse economy. The local environment will be clean, inspiring and valued, where people are proud to live and work and are attracted to visit and invest.***

This is underpinned by our agreed values, which influence the way we work :

- ✓ Being open, responsive and accountable
- ✓ Giving value for money
- ✓ Promoting sustainable development
- ✓ Putting communities first
- ✓ Valuing employees
- ✓ Working in partnership

Action:

- a) Maintain awareness of our Vision
- b) Ensure our corporate Values are reflected in policies and practices



## **2. Commitment**

Organisational commitment is demonstrated through the allocation of responsibilities and resources.

Members' responsibilities are set out in the Council's Constitution and the Political Structure. Officers' responsibilities are contained in the Constitution and Divisional Service Business Plans.

'Ownership' of service delivery is clearly established, supported by:

- commitment to training and development through the Annual Training Plan and budget
- adoption of a competency-based management development framework, and
- a corporate Employee Development Review (EDR) scheme to link organisational and individual targets and actions.

Financial resources support the Council's aims and priorities through the Medium Term Financial Strategy and Revenue and Capital Budgets. Funding for local priorities (Key Commitments) is contained in the Best Value Performance Plan. The Council's own resources are supplemented by external funds from a variety of sources.

**Action:**

- c) Ensure responsibility for services (including cross-cutting) is clear
- d) Constantly monitor training needs and benefits
- e) Implement the new competency-based management development framework
- f) Ensure there is a clear link between priorities (Key Commitments) and allocation of resources

### 3. Planning

The Council's services are delivered through the following plans and strategies:

#### External and Partnership Strategies and Plans

- **National Priorities** – agreed between central Government and the Local Government Association
- **Regional Priorities** – set by the West Midlands Regional Assembly
- **Worcestershire Community Strategy** – agreed by Worcestershire Partnership
- **Wyre Forest District Community Strategy** – agreed by Wyre Forest Matters
- **Community Safety Strategy** – agreed by Wyre Forest Community Safety Partnership
- **Local Public Service Agreements / local Area Agreement** - Countywide
- **Economic Development & Regeneration Strategy** – regional initiative including the Government Office for the West Midlands and Advantage West Midlands
- **Implementing Electronic Government Statement** – linked to the Worcestershire Hub

#### Council Strategies and Plans

- **Corporate Plan** – Building A Better Future 2003-2008 \*
- **Annual Service Business Plans** – for the six operational Divisions \*
- **EDR scheme** – performance management at individual level \*
- **Local Priorities** – Five Key Commitments for 2005/06
- **Medium Term Financial Strategy** (three-year) and annual **Budget**
- **Annual Efficiency Statements** – required by Office of the Deputy Prime Minister
- **Improvement Plan** – focussing on priorities for improvement 2005-2008
- **Annual Best Value Performance Plan** - including all performance indicators
- **Annual Audit & Inspection Plan** – external auditor and Audit Commission
- **Corporate Governance Framework** – part of the Council's internal control infrastructure
- **Risk Management Strategy** – to identify and minimise risks to the Council's aims and priorities
- **Corporate Training Plan** – for development of human resources

**Action:**

- g) Maintain an updated record of Council Plans and Strategies on the intranet
- h) Maintain the 'Golden Thread' between these \* plans in particular

#### 4. Action and Results

Services are delivered in accordance with our strategies and plans, having regard to the following:

- ⇒ Service **standards** (where agreed), published to inform stakeholders of the minimum level of service to be expected.
- ⇒ **SMART targets** to achieve improvements in service levels.
- ⇒ **Performance indicators** (PIs), used to measure actual delivery and to help focus attention where it is needed most.

In addition, customer / user feedback is used to support service improvement.

New performance management software (*Covalent*) is being used from 2005/06 to help keep track of ownership, actions, PIs and risks, and to assist in presenting reports as and when required in a more user-friendly way.

**Action:**

- i) Agree and publish service standards
- j) Implement *Covalent* software for all Members and officers

## REVIEW →

### 5. Monitoring and Progress Reporting

Feedback and other information generated in delivering services enables us to actively monitor performance and report as necessary to Committees, teams and individuals.

This is carried out in accordance with the frequencies contained in **Tables 2 and 3 (below)**.

Action:

k) Monitor performance in accordance with Tables 2 and 3 (below)

### 6. Review and Response

Reviewing and taking corrective action are essential steps as they distinguish performance management from performance monitoring. Action taken is recorded to provide an audit trail and, where relevant, evidence of improvement. This could include any or all of the following:

- Reassessing the need for a particular service
- Reconsidering standards, indicators and targets
- Reviewing systems and processes
- Re-evaluation of resource requirements

Results are published internally and externally to inform stakeholders of outcomes in our Best Value Performance Plan, Newsywe and Cabinet Scrutiny reports.

Action:

- l) Take and record any necessary corrective action
- m) Continue to consult stakeholders
- n) Publish details of service outcomes

Table 2: Annual Performance Monitoring

Action / Plan / Strategy	Cabinet	Cabinet Scrutiny	P&S / Audit Panel	CMT	DMT	EDR	Ext Audit/ Inspection	Partners
National & Regional Priorities	Six-monthly			Six-monthly				
Community Strategy	Six-monthly	As required	As required	Six-monthly			Annual	Quarterly (LSP)
Community Safety	Six-monthly		Bi-monthly	As required				Monthly (GOWM) Quarterly (WFCSP)
LPSA / LAA	As required			As required	As required			As required (County)
Worcs Hub	Monthly	As required	As required	Monthly				As required
Shared Services	As required			Monthly				Monthly (County)
Corporate Plan				Six-monthly		Continuous		
Budget (review)			Fortnightly (Budget Review Group)					
Budget (spending)	Quarterly			Monthly	Monthly		Annually	
Key Commitments	Monthly	Quarterly		Monthly	Monthly		Annually	
Business Plans		Six-monthly		Annually	Quarterly	Continuous		
Improvement Plan	Quarterly	Quarterly		Monthly	Quarterly			
Audit & Inspection Plan	Annually	Six-monthly	As required	Quarterly	Six-monthly		Annually	
Internal Audit Reports			Quarterly	Quarterly	As required		Annually	
Corporate Governance	Annually			Six-monthly	Six-monthly			
BVPP	Annually			Annually	Annually		Annually	
HR Statistics	Monthly			Monthly	Monthly			
Complaints / Feedback	Monthly			Monthly	Monthly			
Performance Indicators	Monthly	Quarterly		Six-monthly	Quarterly			
Risk Management				Quarterly	As required			
e-government (IEG)	Annually			Quarterly (via ICE Group)				
IIP					Six-monthly	Continuous		
Working Groups				Quarterly				
Training				Annually	Monthly	Continuous		
Individual						Six-monthly		

Partnership & External

Council

Table 3: Calendar for Members' Performance Monitoring Reports

Action / Plan / Strategy	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
National & Regional Priorities						Cabinet						Cabinet
Community Strategy				Cabinet						Cabinet		
Community Safety												
LPSA / LAA												
Worcs Hub	Cabinet	Cabinet	Cabinet	Cabinet	Cabinet	Cabinet	Cabinet	Cabinet	Cabinet	Cabinet	Cabinet	Cabinet
Shared Services												
Corporate Plan		Cabinet						Cabinet		CMT		
Budget (review)	BRG	BRG	BRG	BRG	BRG	BRG	BRG	BRG	BRG	BRG	BRG	BRG
Budget (spending)	Cabinet			Cabinet			Cabinet			Cabinet		
Key Commitments	Cabinet CSC	Cabinet	Cabinet	Cabinet	Cabinet	Cabinet CSC	Cabinet	Cabinet	Cabinet CSC	Cabinet	Cabinet CSC	Cabinet
Business Plans											CSC	
Improvement Plan	Cabinet CSC					Cabinet CSC			Cabinet CSC		Cabinet CSC	
Audit & Inspection Plan				Cabinet								
Internal Audit Reports				Audit Panel		Audit Panel			Audit Panel		Audit Panel	
Corporate Governance				Cabinet								
BVPP												
HR Statistics	Cabinet	Cabinet	Cabinet	Cabinet	Cabinet	Cabinet	Cabinet	Cabinet	Cabinet	Cabinet	Cabinet	Cabinet
Complaints / Feedback	Cabinet	Cabinet	Cabinet	Cabinet	Cabinet	Cabinet	Cabinet	Cabinet	Cabinet	Cabinet	Cabinet	Cabinet
Performance Indicators	Cabinet CSC	Cabinet	Cabinet	Cabinet	Cabinet	Cabinet CSC	Cabinet	Cabinet	Cabinet CSC	Cabinet	Cabinet CSC	Cabinet
Risk Management												
e-government (IEG)												
IIP												
Working Groups												
Training												
Individual												

Partnership  
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