

DERBYSHIRE COUNTY COUNCIL

CABINET

13 March 2012

Report of the Chief Executive

**COUNCIL PERFORMANCE AND IMPROVEMENT FRAMEWORK
(Leadership and Culture)**

1. Purpose of the Report

To seek Cabinet approval for the Council's new Performance and Improvement Framework.

2. Information and Analysis

Background

Over the past year, there have been key changes in the national performance management arrangements for local government. The Audit Commission and Regional Government Offices have been abolished, along with the national improvement and performance frameworks of the Comprehensive Area Assessment (CAA), the Local Area Agreement (LAA) and the National Indicator Set (NIS). Ofsted and the Care Quality Commission (CQC) remain and will continue to carry out inspections and place requirements on the Authority.

The Government's intention in removing these nationally prescribed frameworks is to reduce the burden of inspection and reporting on local authorities to enable them to focus on service delivery. Both the Localism Act 2011 and the National Planning Policy Framework set out a series of measures to shift power away from central government towards local people. These measures provide the framework for the Council to work in partnership with District, Borough, Parish and Town Councils to enable neighbourhoods to drive forward improvements to services and their local area. It is therefore important that the Council has robust performance management arrangements in place and develops its own system of regulation and improvement. The Authority must clearly and continually demonstrate to local people that it is using public resources in the most effective and efficient way possible to provide them with good quality services at the lowest possible cost.

The Council's approach

To reflect the greater freedom to determine local performance management arrangements, a new Council Performance and Improvement Framework has been developed. This is attached at Appendix A for consideration. The purpose

of the Framework is to drive service improvement and to ensure a consistent and robust approach to performance management throughout the Council. To support local accountability it emphasises openness and transparency and, as there is less inspection and external review, the Framework promotes self awareness and challenge.

The Framework builds on the strong performance management arrangements already in place, which are based around an effective planning cycle, ongoing monitoring and regular performance reporting and review. A significant development, however, is the introduction of an annual Self Assessment and the development of an annual Improvement Plan. As well as outlining key successes over the previous twelve months, the Self Assessment will identify key challenges for the forthcoming year. The Improvement Plan will show how identified challenges will be addressed and how progress will be measured. The Framework also places an increased emphasis on service reviews as a means of improving service effectiveness.

Under the new Framework, departments will review their performance each quarter. Cabinet will receive a report on performance every six months and the Council will report progress to local people in summary form in November and in greater detail through the Annual Report at the end of each financial year. To demonstrate to local people that the Council is using public resources in the most effective and efficient way, easily accessible performance information will be produced annually for a wide range of key stakeholders.

Next steps

The arrangements set out in the new Council Performance and Improvement Framework will be fully implemented from April 2012 onwards. In preparation for implementation, work is now taking place with departments to identify measures and information which will form the substance of the performance reports.

Whilst the overarching performance frameworks of the LAA and CAA have been abolished it is recognised that national performance arrangements for some services are still evolving. The Council's Framework will be kept up to date to reflect these changes and to reduce any duplication of effort.

3. Considerations

In preparing this report the relevance of the following factors has been considered: human resource, equality of opportunity, prevention of crime and disorder, legal, financial, environmental, health, property and transport considerations.

4. Key Decision – No

5. Call-in

Is it required that call-in be waived in respect of the decisions proposed in the report - **No**

6. Background Papers - None

7. Officer's recommendations

It is recommended that:

1. Cabinet approve the Council's Performance and Improvement Framework.
2. Further reports on progress in implementing the Framework be brought to Cabinet in due course.

**Nick Hodgson
Chief Executive**

Derbyshire County Council Draft Performance and Improvement Framework

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1. Introduction

The purpose of the performance and improvement framework is to drive service improvement and to ensure a consistent and robust approach to performance management throughout the Council.

The aim of this document is to clearly explain the framework so that Council Elected Members, managers, employees, partners and the public can easily understand how the Council manages its own performance.

2. About the framework

Background

The Council is introducing a new performance and improvement framework to reflect changes to the wider self regulation and performance management of local government. The evolving national framework involves less top down control, enabling local authorities to focus their arrangements on local improvement and accountability rather than upward reporting to government. The Council's new framework reflects these changes. To support local accountability it emphasises openness and transparency, and as there is less inspection and external review, the framework promotes self awareness and challenge.

What is performance management?

This framework describes the Council's organisational performance and improvement framework. Organisational performance management is the means by which elected Members and senior managers in the Council identify their objectives, cascade them through the organisation and, by tracking progress, adjusting priorities and moving resources where needed, ensure that the Council meets its objectives. The Framework is closely linked to the Council's framework for managing employee performance.

Why performance management is important

Performance management is important for every organisation. Within the Council it ensures all employees are working towards the same objectives. It ensures that senior managers understand in what areas the organisation is successful and where further improvement is needed, and that they take action to ensure that key objectives are achieved.

Principles

In applying the framework the Council promotes the following performance management principles:

- **Honesty and Transparency**

Performance reports accurately reflect the true picture. They highlight underperformance and identify areas for improvement as well as publicising success. Through this approach the Council is open to challenge from the public and its partners.

- **Timeliness**

Performance information is available at the right time to support decision making and to ensure that Council services are responsive to the changing needs of the community.

- **Working together**

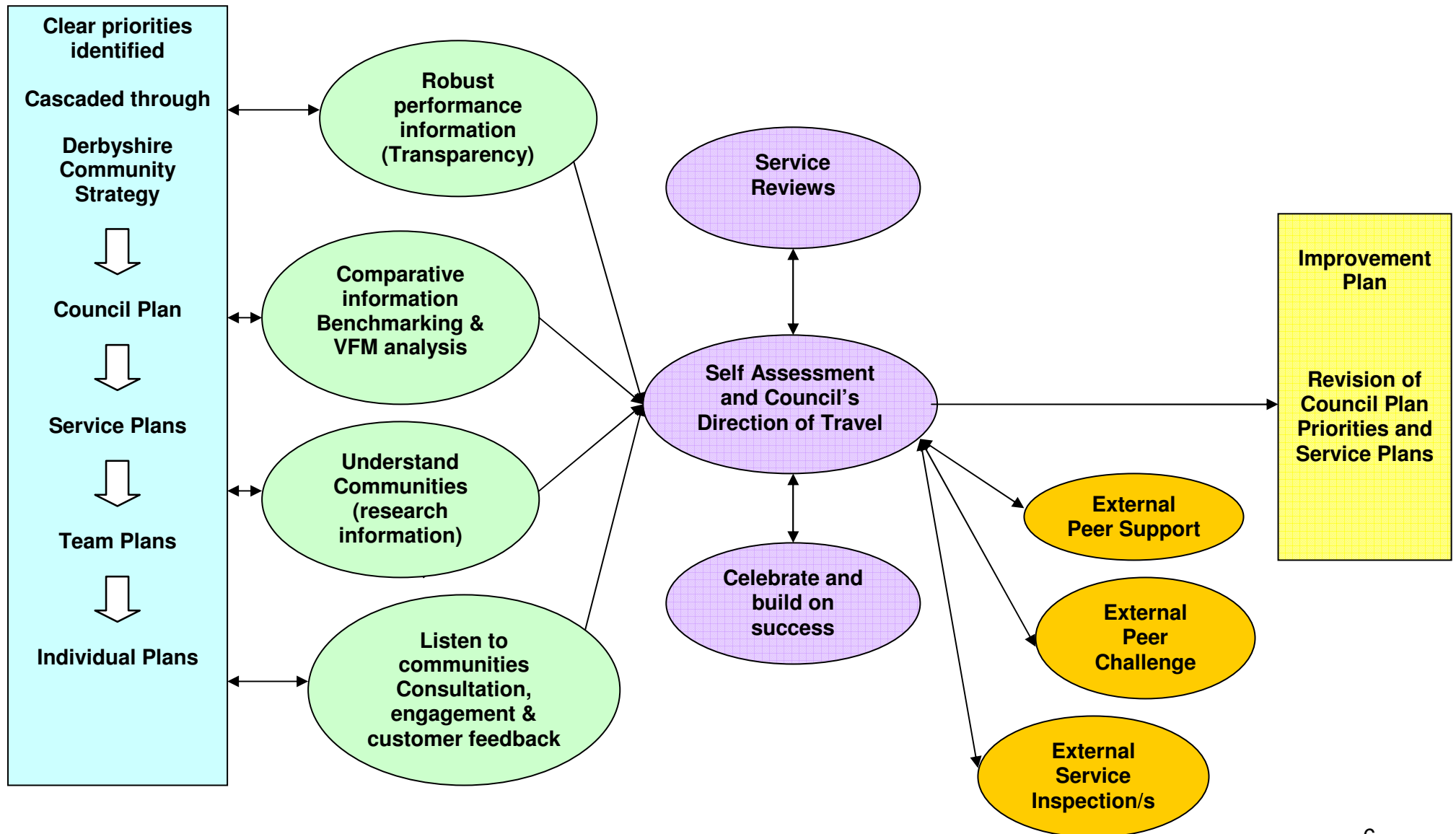
All employees understand the Council's objectives and everyone knows what is expected of them.

- **Council-wide responsibility**

The responsibility for performance is council wide. Good council performance comes as a result of high performing teams and individuals, and every member of staff has a responsibility to help the Council to meet its objectives.

Key elements of the performance and improvement framework

The Council's framework follows a cyclical process which is outlined below



3. Planning

The Council and partners are working together to achieve the Derbyshire **Sustainable Community Strategy vision** “for everyone in Derbyshire to achieve a good quality of life both now and in the future”.

The Council has identified **a vision**, “improving life for local people” **and five main Council priorities**, which describe what it is working to achieve and which support the partnership vision:

- Leading the way
- Making good use of public money
- Raising aspirations
- High quality personalised services
- Places where people want to be

Underpinning the priorities are a range of objectives, activities and measures of success. The priorities, objectives, and how the Council intends to make progress in these areas, are set out in the **Council Plan 2010 – 2014**.

The Council’s system of performance review identifies key challenges for the Council. The **Council Improvement Plan** describes what the Council will do to address the challenges and how the Council will know it has been successful.

The Council’s medium term financial planning allocates resources to support the Council priorities, taking into account demographic changes, future service pressures and associated risks, and the current climate of budget reductions. Resource allocation is set out in the Council’s **Five Year Financial Plan (FYFP)**.

Departmental service and **team plans** set out how each department and team in the Council will deliver the Council Plan and the Improvement Plan.

Individual plans ensure everyone is clear about which aspects of the service and team plans they are responsible for. Measures of performance are clarified providing a basis for regular feedback and highlighting required personal development.

4. Monitoring Performance

Through the planning framework, the Council's top level priorities are cascaded into individual plans for implementation.

On an ongoing basis, the Council and services gather and analyse a wide range of information, details of which are highlighted below, to understand how effectively the plans are being implemented and whether the Council's ambitions are being achieved. The information collected is put into context so that the Authority can fully understand the impact of its work on local people, who live in different areas of the county or who are members of different community groups.

Performance Information

Service managers use a large range of performance indicators to measure the performance of their service as part of their day to day management and operational delivery. From these indicators the Council has identified a set of indicators which measure progress in implementing the Council Plan. These indicators are collectively called the **Derbyshire Indicator Set**. The Derbyshire Indicator Set is updated on an ongoing basis to ensure that it is current, reflects new requirements placed on the Council by central Government and incorporates any amendments to existing service performance measures.

Each year the Council undertakes a Self Assessment to identify a number of key challenges where it wishes to focus effort. These challenges form the basis of the Council's Improvement Plan. A small number of **key measures** from the Derbyshire Indicator Set are identified to monitor progress in delivering the Plan.

All measures will have targets attached to them. These targets are set by the Chief Executive and relevant Chief Officer. The measures and targets are set out in departmental service plans and filter into team and individual plans as appropriate. At times, a target may be set to maintain performance in an area. This may be the case where resources and budget restraint prohibit a more ambitious target, and where the Council has identified the risk that performance may fall below acceptable levels, if co-ordinated action is not taken.

As well as performance indicators, information is also collected about progress on the implementation of key projects. In this way the Council can assess whether key Council activity is on track or whether there are timescale, budget or other risks to the successful delivery of its large scale projects.

It is important that Council managers have access to up to the minute information on how their services are doing so that they can readily anticipate and address any risks to performance. The Council currently uses a performance management system to hold and analyse performance information. Development of the system is ongoing to ensure managers have timely access to the information they require.

Benchmarking and value for money analysis

The Council collects and analyses benchmarking information to compare the performance of its services with that of other similar councils. This information highlights areas where the Council is leading the way and where the reasons for success could be shared. The information also highlights where performance is weak and where learning from other councils could be beneficial. The Council also uses value for money analysis to understand the performance of services relative to their costs, compared to other councils.

Understanding communities

A wealth of research information is collected by the Council, covering social, health, economic, crime and environmental issues. The information is used to assist the Council in understanding the community it serves and the impact it is making.

Listening to communities - consultation and engagement

The Council gathers the views of service users and residents on a wide range of matters from their satisfaction with Derbyshire as a place in which to live, visit and work, to how specific services can be reshaped and improved. Information is collected through resident and service user surveys, a Citizens Panel, and a wide range of forums, councillor surgeries and focussed events throughout the year. The information supports the Council in prioritising its service delivery and improvement activity.

Outputs and Outcomes

The Council gathers information which describes what a service has done (output) and what difference it has made to local people (outcome). The Council is focused on the key outcome of improving people's lives, for instance by reducing crime in a local area or by improving health and wellbeing. It is therefore important that information is collected to assess whether or not these outcomes are being achieved so that the Authority knows that it is making a difference.

However, whilst the Council focuses on outcomes, these are in many cases the result of the work of many different agencies working together. It is therefore important that the Council and services can accurately evaluate their own contribution by monitoring service outputs.

5. Challenge and Review

In addition to ongoing monitoring, the Council challenges and reviews its performance at key points in the year. The purpose of performance review is to assess the available relevant performance information, understand the impact that has been made, discuss what is going well and what needs improving further, and agree how any improvement that is required will be achieved. A key outcome from performance review is that plans are updated and the changes are acted upon. A wider outcome is to understand what has and has not been successful and to learn lessons from the review so that future action is more efficient and effective.

Council Performance Review

Annual Self Assessment

The Council challenges and reviews its performance over the previous twelve months in September each year, through its annual **Self Assessment**. The Council evaluates how well it is doing overall and whether it is concentrating on the right things. A key outcome from the Self Assessment is the identification of the key challenges for the Council for the forthcoming year, as this will inform the Council's Improvement Plan. The Self Assessment takes place in September so that it can inform the planning cycle, when the Council Plan, Five Year Financial Plan, and Departmental Service Plans are updated. Four themes are examined:

- How effectively the Council is leading the way for public services in Derbyshire
- How effectively and efficiently the Council is using its resources
- How well services are performing (outputs)
- How well the Council is engaging with local people and responding to their needs (outcomes)

The table below summarises the questions the Council will ask itself under each of these four themes.

Leading the Way	Use of Resources
<ul style="list-style-type: none"> • Has the Council met its key priorities? • Are we delivering the Council Plan? • Are we delivering the Derbyshire Sustainable Community Strategy with partners? • Are we achieving more in partnership? • Are we learning from our own lessons and other organisations? • How are we managing our new responsibilities e.g. Public Health 	<ul style="list-style-type: none"> • Are we providing good value for money? Do local people think we are? • Are we on track to meet our budget reduction targets? • Are we meeting our Corporate Health targets? • Are we managing our workforce effectively? • How well are we managing risk? • Progress made towards implementation of 'Changing the Way Derbyshire works' programme • Are we working more effectively and efficiently than last year?
Service Delivery Performance	Understanding communities and meeting their needs
<ul style="list-style-type: none"> • Progress made towards priority measures and indicators • Have we delivered our Service and Business Plans • How do we compare to others? • What are inspection and external quality measures telling us about our performance? • Are we delivering good quality services? 	<ul style="list-style-type: none"> • How satisfied are residents with the Council? • What difference have we made to local people's lives? How have we improved their quality of life? • Are we focusing on the things that are important to local people? • What do we need to change to respond more closely to local people's needs?

Following the Self Assessment a **Chief Officer Challenge meeting** is held in October. Chief Officer Challenge meetings provide the opportunity for Chief Officers to offer support across all departments to improve specific areas and to drive forward the overall performance of the Council. The Self Assessment will also be presented for consideration by Cabinet at this time. Also at the October meeting, Chief Officers consider the Self Assessment and the key challenges for the Council and develop **the Council Improvement Plan** for the forthcoming year. This plan shows how each challenge will be

addressed and how success will be measured. At this meeting Chief Officers also agree any updates to the Council Plan, and begin the annual budget setting process by agreeing the Council's key service pressures.

Six month and end of year performance

At the sixth month point and at the end of each financial year, key performance data to evaluate progress on the delivery of the Council Plan and the Improvement Plan are brought together and reported. At the six month point reporting and review is by exception, this means the focus is on highlighting any key successes and any issues that may need to be addressed.

At the end of the year, a full performance report is produced. A **Chief Officer Challenge meeting** is held to review the information and identify any further actions required. **Cabinet** and full **Council** also meet to review the performance of the Council at this time.

Departmental Performance Review

Departmental Performance Reviews take place each quarter. **Departmental performance updates** which focus on the progress of key projects, use of resources information and service performance data are produced. Senior management teams in departments meet to review the information and evaluate the performance of their services.

Every six months **Chief Executive/Chief Officer meetings** take place. The Chief Executive meets with each Chief Officer to review departmental performance with a focus on progress in delivering the challenges outlined in the Council Improvement Plan.

Service Review Programme

The Council's Self Assessment highlights challenges for the Council and where a service review is appropriate. From this the Council's annual **Service Review Programme** is developed. The programme lists all the service reviews which will be undertaken during the year. The reviews may be undertaken by Audit, Improvement and Scrutiny, departments or a bespoke team. The aim of a service review is for the review team to assess the effectiveness of a service, and identify ways

in which customer needs can be best met. The review team then draws up a service improvement plan which is agreed with Cabinet. The plan is implemented and monitored to ensure the required improvements have been achieved.

During the year performance information, benchmarking data or other intelligence may highlight other areas of under performance where a service review may be an appropriate response.

Individual Performance Review

Individual performance (My Plan) reviews take place twice a year as a minimum standard. Best practice is for these plans to provide the basis for regular monthly discussion and review. Individual contribution towards the service\team plan is recognised and the individual is provided with the opportunity to contribute ideas to improve team performance. To ensure documents remain up to date and relevant throughout the year, any changes are agreed at the regular reviews.

External review

To gain an external professional perspective the Council invites a Local Government Group peer challenge every 3 years, provided this is cost effective. The peer team bring expertise and experience from across the local government sector and help the Council respond to its local priorities to greatest effect. The Council is also subject to regular government inspections of safeguarding services for children and vulnerable adults. The government may also carry out other inspections as a last resort, in the event that significant problems have occurred and the Council has refused support and not improved performance.

The Council also takes part in external quality assessments such as the ISO 9000 quality management standards, Investors in People (IIP), the Customer Excellence awards and other service specific accreditations to ensure the Council is achieving best practice.

6. Reporting and Communicating Progress

The Council aims to be open and transparent about its performance. Accurate and timely reports on performance are produced to assist the Council's decision making and communicate the key messages to the wider public in ways that enable the information to be easily understood.

The Government's transparency agenda aims to put local authority data into the public realm in ways that provide real benefits to citizens, business, councils and the wider data community. The Council is therefore exploring ways of enabling access to meaningful performance data to support its stakeholder reports.

Reporting Performance

The table below outlines the timescales for performance reports to the Council's members and senior managers.

Summary of reports supporting performance review

Report	Purpose	Audience	Produced by	Timescale
Council Self Assessment	Annual overview of Council performance to identify areas of success and key areas requiring improvement, to inform planning	Chief Executive, Chief Officers, Cabinet	Departments, Policy and Research	September
Council Six Month Performance Report	Reports progress by exception on the Council Improvement Plan and the Council Plan at the six month point.	Chief Executive, Chief Officers, Cabinet,	Policy and Research	October
Council End of Year Performance Report	Reports progress on the Council Improvement Plan and Council Plan at the end of the year.	Chief Executive, Chief Officers, Cabinet, Council	Policy and Research	May

Departmental Performance update	Reports departmental performance on a quarterly basis.	Departmental Chief Officer and Management Teams Chief Executive	Departments	July, Oct, Jan, April
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Communicating Progress

As part of day to day communication, the Council aims to celebrate good performance, acknowledge employees' individual achievements and share best practice. It also seeks to be open about where things have not gone well so that issues are addressed and learning points can be identified for the future.

Twice a year formal reports are published to inform key stakeholders about the Council's performance. The table below outlines the schedule for reporting to stakeholders.

Summary of reports to stakeholders

Report	Purpose	Audience	Produced by	Timescale
Six Month Achievements Report	Summarises Council activities and achievements at the 6 month point.	Stakeholders: public and staff	Policy and Research	November
Council Annual Report	Informs stakeholders of Council activities and performance during the year. Reports financial performance.	Stakeholders: public and staff	Policy and Research	June

7. Evaluating the framework

The framework will be reviewed annually to evaluate how effectively it is helping the Council to manage its performance and drive improvement forward.

For further information about the performance and improvement framework please contact:

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