

# **Performance Information Task and Finish Group Final Report December 2009**

## **1. Summary**

This report summarises the work undertaken by the Performance Information Task and Finish Group during 2009 and sets out its conclusions and recommendations.

This Group was set up at the request of the Overview and Scrutiny Internal Performance Committee and comprised of Councillors Chamberlain, Prowse, Witherick and Yates.

Three meetings were held on 21 April, 14 May and 28 July 2009. Working closely with Karen Wheeler (Policy and Partnership Manager) and other appropriate officers, the Group considered the existing framework and how its content and presentation could be improved to assist the Council with its performance management.

## **2. Key Recommendations**

A review of the reporting framework was underway internally and the Group worked in parallel with officers involved in this review. The Group's suggestions were considered and implemented in the preparation of the current reports to Cabinet. A copy of the final version is attached in appendix A with other recommendations implemented or being considered listed in 4.5 and 4.6.

The Group did however make two additional recommendations:

- The list of KPIs that are reported on are reviewed on an annual basis.
- A process should be introduced to more clearly highlight trends.

## **3. Context for the Study**

*"Many councils' scrutiny functions look at performance information as a regular item on committee agendas. The process is often a fruitless one, and is typified by a focus on scorecards. Lacking the skills to analyse these, or the support to put them in context, members often find themselves asking questions about poor performance which executive-*

*side officers find it easy to bat away, or which add little to the council's general discourse around performance improvement.*

*There are a few particular problems which are common to a number of authorities:*

- *Unwillingness on the executive side to encourage members to carry out meaningful examinations of performance information.*
- *Too much information, or information in the wrong style or format.*
- *Conversely, too little information available, with little other than high-level scorecards being provided.*
- *Lack of interest amongst members – “it never achieves anything, officers give us the same old answers, it's a waste of time”.*
- *Lack of confidence in the member corps to meaningfully address performance issues – often because of a lack of familiarity with the technical language and terminology.”*

**Performance Management and Scrutiny**  
**Ed Hammond, Centre for Public Scrutiny**

Performance management is about good management. Its only purpose is to help deliver better quality services to local people. Good performance management arrangements assist the council to:

- Achieve the goals of the organisation and the community by prioritising what gets done and ensuring that there are sufficient resources to do it.
- Ensure the Council provides value for money.
- Motivate and manage staff.
- Provide customer satisfaction.

## **4. Methodology**

### **4.1 Current Performance Management Framework**

The first phase of a new Performance Management Framework, which includes monthly performance reporting, was introduced across the Council in October 2008. The new performance reporting includes financial monitoring, performance against indicator targets, progress towards the corporate priority projects and Business Improvement Programme, risks and opportunities, and issues that arise from outside the

Council that will affect the organisation. This enables a more comprehensive review of performance as a whole.

Each month Departmental Performance Leads prepare a comprehensive performance report for their department in consultation with their Head of Service. These inform the overall Council report compiled by Policy and Partnership. This Council report is considered by Chief Executive Board every month and Cabinet every quarter. Portfolio Holders receive the departmental reports relevant to them on a monthly basis in order to discuss any significant emerging issues, for example, marked drops in income or performance, with the relevant Head of Service.

Heads of Service are responsible for the performance of their service areas. Chief Executive Board plays a crucial part in the performance management of the council. The Heads of Service who sit on the Board have management responsibilities that span all of the council's services. This ensures performance is not only reviewed, but also improved.

The Chief Executive Board is responsible for:

- regularly monitoring and acting on key performance indicators that reflect corporate priorities.
- setting standards for performance and expectations of when action needs to be taken.
- asking challenging questions about performance.
- ensuring that there are robust action plans to address under-performance, redirecting resources where necessary.
- following up planned actions, ensuring they have led to improvement.
- sending out a clear signal that performance and improvement are being taken seriously at the highest level.

The monthly report includes:

- overview of Head of Service area.
- financial position.
- performance indicator data e.g. National Indicators and local performance indicators, performance against target and direction of travel.
- corporate and service priority projects e.g. progress update re visible street scene project, Westminster Lodge development.

- Business Improvement Programme e.g. progress update on development of Customer Contact Centre.
- performance by exception e.g. explanation of below target performance, mitigating actions to be taken.
- risks and opportunities.
- corporate radar e.g. emerging issues.

## **4.2 Quarterly reporting to Cabinet**

Cabinet, on a quarterly basis, receive information taken from the most up to date Chief Executive report. This gives Cabinet a very high level overview of council-wide performance and is supported by the individual Head of Service reports to enable a focused examination of particular areas. This system ensures that the information received by Cabinet is high-level, exception based and up to date.

Performance information only is currently reported to Overview and Scrutiny (Internal Performance) Committee on a quarterly basis by exception with the mitigating actions from Heads of Service.

## **4.3 Departmental Performance Leads**

The Departmental Performance Leads (DPL) undertake various duties which drive forward performance management within their department:

- lead on monthly departmental submission of performance report information.
- act as performance management specialist/point of contact for their department. This involves having a good knowledge of central government initiatives such as Comprehensive Area Assessment and the National Indicator Set.
- act as contact for performance management related audits within the department.
- act as departmental lead on Data Quality – ensuring that the department produces and reports data which is robust and of high quality.

## **4.4 Evidence Gathering**

Over the course of three meetings the Group looked in detail at many aspects of the current performance information framework and how that information was gathered and presented.

At the time of the Group's formation 153 indicators were collected – a mix of nationally and locally determined indicators. A large number of the national indicators concerned frontline service delivery or were collected from the 'Place Survey'. The frequency of collection of these indicators varied but Policy and Partnerships were pushing for collation of as many as possible on a monthly basis so long as the data collected was meaningful. Other performance data collected by the Council includes for example, financial information, complaints and compliments data and customer care standards.

Annually reported indicators were mainly national and some indicators suffered from the time it could take to collate the data or validate it.

Local performance information (i.e. that not reported corporately) varies according to department. The detail of contract specifications and performance tend to be monitored locally (e.g. for leisure and waste contracts). Frontline service departments (Planning, Housing, Environment and Regulation, Culture and Community Development) tend to collate and monitor more information than "back office" services. Each departments' approach to benchmarking varies, depending, for example, on whether professional networks and benchmarking clubs were plugged into for particular services, and also whether indicators for particular services tended to be collected as national indicators. Comparison authorities could be chosen from other Herts boroughs, or the CIPFA "nearest neighbour" authorities (the top twenty from the overall list tended to be the most relevant comparators). Particular services might be required to report statistics to a body such as the Health and Safety Executive or the Regional Government Office. There is a Herts Districts Performance Network which shares statistics on a quarterly basis.

In summary, the approach to monitoring performance information in the Council by departments was inconsistent, but was improving.

The Group received a report from the Head of Planning and Building Control setting out their approach to collating performance information and how a 'performance culture' had begun to embed in the department and how the information gathered was used pro actively.

The Group felt that there was a need to encourage all departments to use performance information as a key management tool. Local indicators were looked at – what are they used for, how long they have been used and how they are used. Those that are not used to improve business performance could be dropped.

The Group also requested that officers develop a much smaller and focused list of indicators for them to consider.

It is also important to check or challenge the information presented (Internal Audit provides this to a degree).

The Heads of Service were all challenged over their local indicators. Many of those reported were obsolete or had little value.

Questions asked of the reported data were:

- Is the information essential to collect?
- Is it useful to solve particular management issues?
- What action plan lies behind them?
- What are they used for – does active discussion ensue as a result?

The main advantage of reducing the number of key performance indicators is to have a manageable set that reflects key corporate priorities. Discussions were held over the rationale of dropping certain indicators.

The group then discussed a revised list of 84 indicators.

The presentation format of the reports was also discussed to allow for easier reading and monitoring.

As a consequence of these discussions a final list of indicators was produced for consideration by Chief executive Board and Cabinet.

#### **4.5 Recommendations implemented**

- Identification of a smaller set of KPIs related to the key priorities of the Council and LSP as a whole (which form the basis for quarterly reports to Cabinet, scrutiny and the LSP).
- New more graphical format for reporting performance information, based on RAG ratings of overall progress against target for the year, and (for corporate projects and the CAP) exception reporting against key milestones.
- More in-depth analysis and commentary on trends in performance information (for example any patterns emerging on key indicators going well or less well).
- Proper in-depth discussion at Chief Exec Board of performance information once a quarter with agreed actions.

#### **4.6 Recommendations currently in progress or being considered**

- Rolling out a new simpler Excel system for collecting data; along with further review of longer term technical solutions (including Performance Plus) drawing on experience in other councils.
- Clearer system for capturing key contribution of district to county LAA priorities as well as district priorities requiring wider input from county and county level partners.
- Regular meetings of the Council performance network (chaired by the policy and partnership manager).
- Applying the performance framework to partnerships (likely to include developing KPIs linked to refreshed community strategy and Herts LAA themes, and clear reporting mechanisms for each sub-partnership and project group (linked where necessary to partners own performance systems).

#### **5. Implementation and Monitoring**

The Group were happy that the number of KPIs is now manageable, meaningful and relevant and that their suggestions had been taken into account. The first of the new style reports was delivered to Cabinet in October and the Group was pleased by the positive feedback received.

Reporting frequencies should remain unaltered.

The Group made two additional recommendations:

- The list of KPIs that are reported on are reviewed on an annual basis.
- A process should be introduced to more clearly highlight trends.

#### **6 Appendices**

**Appendix A** – Council Performance and Budget Summary, Quarter 2 2009/2010