

Agenda Item No: 4 (1)

Report to: Overview and Scrutiny (Resources)

Date of Meeting: 22nd November 2010

Report Title: Proposals for New Performance Management Arrangements

Report By: Jane Hartnell
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Purpose of Report

To update Members on proposals for improving Performance Reporting in the light of the review of Corporate Planning functions review and discussions with Member of Overview and Scrutiny in quarter 1.

Recommendation(s)

1. Comments are welcome on the attached proposals

Reasons for Recommendations

The process of performance reporting needs to be evolved to be fit for purpose in the current environment with reduced national influence on what and how we report information. HBC needs to seek to make performance information accessible and transparent and support Overview and Scrutiny Committee Members to undertake their roles effectively.

Introduction

1. The review of Corporate Planning functions undertaken in 2009/10 identified ways to improve the reporting of performance information and in particular, improving the availability and accessibility of information to Overview and Scrutiny Committee Members to enable them to add value to the process in a timely way.

2. Key issues that were identified were:

The reports to Overview and Scrutiny contain all the annual targets and all the performance indicators included in the Corporate Plan - this makes them very lengthy and difficult for Members to identify and focus on what is really important in assessing whether the Council is meeting its key objectives.

O & S Members receive information that can be almost 3 months out of date by the time they are able to scrutinise it.

The nature of this reporting means that O & S meetings have tended to focus on a detailed level of operational information, whereas specific questions can be answered much earlier and need not involve all Members and a significant number of senior officers.

3. In addition to the findings of the review, the national picture regarding performance management has shifted significantly in the last few months. The deletion of CAA and the Place Survey is the pre-cursor to the likely removal of the majority of the National Indicators. Speculation amongst those in the know indicate that they may be replaced by as few as 20 across all local government tiers. Regardless of what is published in the Decentralisation and Localism Bill in the autumn, what is clear is that HBC needs to decide for itself what and how it will monitor its performance.
4. The Corporate Plan for 2011/12 onwards is likely to be different to the current version, with smarter targets; less detailed PIs, and a focus on those targets that will 'tell a story' about how well HBC is meeting its commitments.
5. Discussions were held before the Quarter 1 O & S Committee meetings with O & S Members, many of whom are newly elected Members who have brought experience from other fields that is useful to inform how we move forward.
6. Evolving the way we do things will require a build up of trust and confidence in the new approach and therefore we've identified a number of steps we feel can be put in place in advance of implementation of the new Corporate Plan from April 1st 2011. These steps also need to be proportionate and recognise the significant organisational changes that will take place between December and March 2011.
7. Scrutiny Members will need to be comfortable with the changes proposed and will need to shape the developments as well as build up their trust and confidence in the process if we are to be producing less detail, but more focussed information for discussion at Committee meetings.

Proposals

8. The proposals for improving performance reporting are set out below, they cover:
 - a) A move away from providing detailed reports on every Performance Indicator (PI) at each meeting - exception reporting will be based on the premise that reports will highlight to Members if something isn't going well or has been doing exceptionally well. This will be complimented by the opportunity to review the latest performance information electronically much earlier than at present.
 - b) Ownership of the O & S report to be transferred from Policy and Performance to the relevant Corporate Director. The Director's report should be used to highlight the most significant issues about the service and emphasise aspects of its performance to Members. Details about financial performance will also need to be reported to Members.
9. A number of changes are already in hand for Qtr 2 reporting:

An exceptions report format for Performance Indicators has been designed and is being piloted for Qtr 2 Overview and Scrutiny reporting (see elsewhere on your agenda). In order to build trust in this process it is proposed to also supply the full detail of the PIs for one last time.

The Corporate Plan Part II targets are presented with a Red Amber Green (RAG) coversheet (see elsewhere on your agenda) to demonstrate 'at a glance' how targets are performing. The usual detailed updates on each of these targets will be supplied.

The Risk reporting against the annual Corporate Plan targets has not be undertaken for Qtr 2 - the new Corporate and Service Risk registers have replaced the need for this - the service risks are now monitored elsewhere (including the Audit Committee) so there is no need for duplication at PR and O & S.

A move to exception-based reporting

10. The PI part of the exception report identifies how many indicators met and did not meet their targets for the quarter, and gives the names, actual performance and targets for every indicator that did not meet target. This information has been produced from the performance management system (Performance Plus) that is used to centrally collect performance indicator data.
11. Over time it will be appropriate to consider the basis for identifying exceptions via the review process. There are many other criteria that could be used to identify exceptions such as; setting margins for error instead of reporting all target misses regardless of by how much, reporting exceptionally good performance, reporting based on patterns of missed targets (e.g. only report if target missed two quarters in a row), or Members/Officers identifying key indicators to always report on regardless of their performance. For simplicity it is proposed to start by reporting on indicators that have not met their targets for the quarter, and review the exception criteria once the process is established.

12. In addition to the exception report included with committee meeting papers, all Members will be able to access full details of all performance indicators online via a link to be added to the Members area of the intranet. Members will be alerted quarterly by email when new information is available. (This data will currently only be able to be accessed from HBC IT equipment, therefore alternative arrangements are being made for those Members who use either their own or ESCC equipment). During 2011/12 it is also intended to move to a more frequent publishing timetable, according to the availability of data.

The Director's Report

13. From Quarter 3, subject to discussion views of O & S Members it is proposed that we move to a position where a Director's report summarises the key issues that have/are affecting service delivery - with the annual targets and PIs exceptions pages included as appendices. The detailed performance indicators tables will not be included and will be made available electronically as set out above.
14. It is suggested that the Director's Report will be a high level analysis of what is occurring in the directorate, and could be a mix of specific detail and broader issues. The report could also be more insightful than at present by identifying issues that may impact on the service for the next quarter, rather than always taking a retrospective view. The relevant Lead Member will have been involved in this process through the internal Performance Review meeting.
15. Overview and Scrutiny Committee Members will then have the opportunity to:
- Review the detailed PI information published on the Members area of the intranet, and ask questions of the relevant Heads of Service in advance of the meeting
 - Raise questions at the meeting - but may have to wait for a detailed/informed answer.
 - Ask questions and comment on the issues included in the Director's report.
 - Members will always have the right to ask any other questions.
16. These proposals have been discussed with the Chairs and Vice Chair's and they have offered their support.
17. Members views are welcomed.

Wards Affected

Ashdown, Baird, Braybrooke, Castle, Central St. Leonards, Conquest, Gensing, Hollington, Maze Hill, Old Hastings, Ore, Silverhill, St. Helens, Tressell, West St. Leonards, Wishing Tree

Area(s) Affected

None

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	No
Environmental Issues	No
Economic/Financial Implications	No
Human Rights Act	No
Organisational Consequences	Yes

Background Information

Insert a list of appendices and/or additional documents

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