

## **Performance Management Arrangements**

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**Summary and Recommendation:** The report outlines the context for performance management in local authorities and proposes an approach within Copeland BC's new Overview and Scrutiny arrangements.

**It is recommended that :** the OSC considers the report, comments on the proposals and agrees to receive regular updates on the Council's achievements in the Corporate Plan as part of its work over the year.

### **1. Background**

1.1 Performance management is defined : "Performance management includes activities to ensure that goals are consistently being met in an effective and efficient manner." The Council's goals are set out in the Corporate Plan. Efficiency and effectiveness is of increasing importance as public sector budgets now are under greater pressure.

### **2. National Changes**

2.1 Over the past twenty years local authorities have been encouraged to develop a culture of performance management. Government and its agencies have required reporting of performance and value for money and have checked the processes and systems producing performance data to ensure that they are reliable.

2.2 Performance information has been made available to Government and published locally. By publishing this information the Council has made itself accountable to tax payers, businesses and residents. It has been possible to compare performance with other councils and measured its progress over time by comparing performance year on year.

2.3 Following the recent election the new Government has quickly dismantled the previous national local government performance regime. Comprehensive Area Assessment, data quality audits, Use of Resources judgement and Local Area Assessments have been abolished since May 2010. We are still waiting to hear which of the National Indicators will be

retained. It is not yet clear what regime of performance management the new Government will require, but we are expecting the introduction of a new streamlined regime, with some existing and some new elements.

### **3. Copeland's Performance Management Arrangements**

- 3.1 There may be a view that this dismantling of the previous national performance structures means that formal performance management is no longer necessary. However the need for accountability and transparency to residents and tax payers is still essential for a well-managed organisation. This means that the Council should continue to measure, manage and publicise its performance, although in more cost-effective ways.
- 3.2 The elements of the Council's own performance management arrangements include:
  - Corporate Plan (3-5 years, currently under review)
  - Corporate Implementation Plan (12 month delivery plan, currently delivering Council vision and priorities from the 5 year Corporate Plan 2007-12)
  - Department and service plans, setting out what each service will contribute to delivery of the Corporate Plan and their own improvement priorities
  - Quarterly performance reports to Executive under-pinned by managers' meetings and briefings for portfolio-holders (see Appendix A)
  - Employee Performance Management Scheme, including objective-setting and appraisal.
- 3.3 The role of Overview and Scrutiny Committees in council performance management has been recognized nationally and locally. Copeland BC's Internal OSC has this responsibility in its new terms of reference: "Scrutinise performance issues within the Council and make recommendations for service improvements". While the Executive members have responsibility for ensuring delivery of Council plans and provision of services, OSC can monitor out-puts and outcomes from the Council's activities on behalf of the community.
- 3.4 The timescales (see appendix A) for reporting on performance are established and under-pinned by a number of activities. This ensures that the reports are produced on time and with involvement of everyone who is responsible for service delivery or for achieving targets.
- 3.5 The ideal time for OSC to monitor the Council's performance on an on-going basis is soon after each quarterly report to Executive is complete. With the objective of greater value for money from the Council's

performance management arrangements, it would be preferable to use the same report that has already been to Executive.

- 3.6 If OSC wished to examine performance issues arising from the overall report, for example in a particular service, performance information is available from a number of years and in addition to the Executive report, which can be specially collated. It would be possible for OSC to carry out an in-depth study using this additional information, and this would need the relevant service manager to present and clarify issues.

#### **4. Conclusion**

4.1 Members of the OSC Internal are asked to confirm that they are happy with the approach to involvement in performance management out-lined above, that is:

- a) regular monitoring of the quarterly performance management reports to Executive; and
- b) occasional in-depth review of service performance issues indicated by the regular reports.

Appendix A – Example timetable for producing performance report to Executive

#### **Consultees: Corporate Team**

**PERFORMANCE REPORTING (1st Quarter ending June 2010)**

<b>Who Is Reporting</b>	<b>To Whom</b>	<b>Reporting On What</b>	<b>Period</b>	<b>Deadline</b>	<b>Progress of Performance Report to Executive</b>
Managers	Heads of Service	Their targets in the service plan; NIs & PIs for which they are responsible	1 <sup>st</sup> Quarter	16 July 2010	NI & PI data activated Service plan objectives updated within Covalent
Heads of Service	Directors	Service Plans; Corporate Implementation Plan objectives; NIs & PIs; strategic risks	1 <sup>st</sup> Quarter	23 July 2010	All Corporate Implementation Plan objectives updated in Covalent
Heads of Service	Portfolio Holders	Headline Performance information	1 <sup>st</sup> Quarter	30 July 2010	
Corporate Team	Corporate Team/Pre Exec	Corporate Implementation Plan, NIs & PIs	1 <sup>st</sup> Quarter	9 Aug 2010	
Corporate Team	Executive	Corporate Implementation Plan, NIs & PIs	1 <sup>st</sup> Quarter	24 Aug 2010	Executive meeting