
Report To:	Policy and Resources Committee	Date:	25 May 2010
Report By:	Corporate Director Organisational Improvement and Resources	Report No:	POL/13/10/PW/MMcK
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Subject:	Review of Corporate and Directorate Performance Reporting		

1.0 PURPOSE

- 1.1 The purpose of this report is to present to Committee the results of a review of the current arrangements for Corporate and Directorate Performance Reporting and to propose modified reporting arrangements at a corporate and directorate level.

2.0 SUMMARY

- 2.1 As part of the Council's Strategic Planning and Performance Management Framework, it was agreed in November 2006 to introduce a consistent approach to performance reporting.
- 2.2 Since November 2006 a Corporate Performance Report has been produced for the CMT on a bi-monthly basis and to each meeting of the Policy and Resources Committee. The Corporate Performance Report provided both Members and the CMT with updates on corporate projects and key corporate "health check" indicators.
- 2.3 Each Directorate currently submits a performance report to every meeting of its respective committee outlining progress made in implementing its Directorate Plan and key performance indicators that provide an overview of the performance of the Directorate.
- 2.4 The purpose of both the Corporate Performance Report and Directorate Performance Reports is to provide both Members and the CMT with the opportunity to take an overview of performance at a corporate and directorate level, to make informed judgements in areas where performance is good, improving, or starting to decline, and highlight where intervention or resources may be required to ensure continuous improvement.
- 2.5 Changes to the Council's management structure, the way performance information is captured through the new electronic performance management system, and preparations to ensure the Council is ready for Best Value 2 provided an opportunity to review performance reporting within the Strategic Planning and Performance Management Framework.
- 2.6 The review concludes that there is a need to implement a modified reporting process which will enhance scrutiny of performance, providing Members with the right kind of information, at the right time, highlight where performance is slipping and improve accountability of services with regard to service delivery. Frequency of reporting has also been reviewed with changes

to this recommended.

The key changes recommended as a result of the review are to:

- use the Corporate Performance Report as a corporate 'health check', setting out the Red/Amber/Green (RAG) status of each of the Council's Corporate Plan Outcomes
- move to quarterly performance reporting for both the Corporate and Directorate Performance reports, with reports going to alternate Committee cycles.

3.0 RECOMMENDATIONS

3.1 It is recommended that Committee:

- a. Agree that the Corporate Performance Report be developed into a format which sets out the Red/Amber/Green status of each of the Council's Corporate Outcomes, highlighting exceptions, and continuing with the existing Corporate 'Health Check' Indicators.
- b. Agree that Directorate Performance Reporting be developed to be reported using the electronic performance management system, to set out the Red/Amber/Green status of each action, and highlight exceptions.
- c. Agree that Corporate and Directorate Performance Reporting moves to a quarterly reporting cycle, with reports presented to alternate Committees.

Paul Wallace
Corporate Director
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4.0 BACKGROUND

- 4.1 As part of the Council's Strategic Planning and Performance Management Framework it was agreed in November 2006 to introduce a consistent approach to performance reporting.
- 4.2 Since November 2006 a Corporate Performance Report has been produced for the CMT on a bi-monthly basis and to each meeting of the Policy and Resources Committee. The Corporate Performance Report provided both Members and the CMT with updates on corporate projects and key corporate "health check" indicators.
- 4.3 The report was developed to provide information on how the Council is performing in relation to the Audit of Best Value and Community Planning and the key corporate outcomes contained within the Single Outcome Agreement, the Community Plan, Corporate Plan and Organisational Improvement Plan.
- 4.4 Each Directorate currently submits a performance report to every meeting of its respective committee outlining progress made in implementing its Directorate Plan and key performance indicators that provide an overview of the performance of the Directorate.
- 4.5 The purpose of both the Corporate Performance Report and Directorate Performance Reports is to provide both Members and the CMT with the opportunity to take an overview of performance at a corporate and directorate level, make informed judgements in areas where performance is good, improving, or starting to decline, and highlight where intervention or resources may be required to ensure continuous improvement. It has also led to consistency and comparability of reporting across the Council.
- 4.6 The processes have been developed to include mapping of actions set out in the Directorate Plans to the Corporate Plan and Single Outcome Agreement Outcomes, providing evidence of the Council's contribution to achieving these outcomes.
- 4.7 The progress the Council has made in developing and implementing performance reporting was recognised in the Audit of Best Value and Community Planning Progress Report published in January 2009. Audit Scotland highlighted the good progress that has been made in developing a performance management framework and concluded that "performance reporting is now well established and is an integral part of how the Council now carries out its business."
- 4.8 In order to build on the progress that has been made, a review has been carried out of Corporate and Directorate Performance Reporting to identify further improvements to the current approach to corporate and directorate performance management.
- 4.9 Corporate and Directorate Performance Reports have now been in place for several years and have worked very well. However, a number of recent developments such as the procurement of an electronic performance management system, the need to develop performance management arrangements for the SOA and the implications of the new management structure have all had an impact on performance reporting.
- 4.10 The review focussed on:
 - Improving the timeliness, accessibility and focus of performance reporting.
 - The type of performance information that will best enable Members and the CMT to effectively scrutinise and challenge performance.

- How best to utilise performance information to link corporate initiatives to service improvement, customer experience and the outcomes identified in the SOA.

5.0 REVIEW FINDINGS

5.1 Corporate Performance Report

- 5.1.1 The Corporate Performance Report (CPR) was recently amended to list initiatives from the Organisational Improvement Plan (OIP), as the former high level initiatives reported through the report were largely completed. The initiatives outlined in the OIP are difficult to report on an eight weekly basis as they will be delivered over the longer term. The report also includes Corporate Performance Indicators. Given that the OIP initiatives are strategic and progress is generally made over the longer term, little change is recorded on an eight weekly basis.
- 5.1.2 As part of a review of the Organisational Improvement Plan, work is taking place to map improvement actions in relation to self assessments carried out as part of the Public Sector Improvement Framework (PSIF), preparations for Best Value Two and the OIP. It is anticipated that these will be used to refresh the OIP, bringing all Improvement Actions together in a single framework, reaffirming the Council's commitment to improvement and reducing duplication and confusion. This will also help the Council to prepare for the future audit of Best Value and Community Planning. Progress with the OIP will be reported on an annual basis, subject to agreement at the end of the review.
- 5.1.3 In light of the points above, it is suggested that the Corporate Performance Report is changed to focus on progress being made in implementing the Outcomes set out in the Council's Corporate Plan, which are:
- Educated, Informed, Responsible Citizens
 - Healthy and Caring Communities
 - Safe and Sustainable Communities
 - A Thriving, Diverse Economy
 - A Modern, Innovative Organisation
- 5.1.4 Further work will require to be undertaken on the performance reporting on the Corporate Plan, which will be mapped through the electronic performance management system. There are a number of performance indicators which are reported to a range of committees which can be cross referenced and captured in a Corporate Performance Report. The report will capture directorate and service performance measures and link those which feature in the Corporate Plan with a reporting template on the Corporate outcomes. This will make the reporting of those measures more straightforward and will provide an overall, more detailed picture of progress.
- 5.1.5 The Directorate Plans highlight where actions being delivered contribute to the achievement of the Corporate Plan and SOA outcomes, and once input onto the electronic performance management system, the Red/Amber/Green (RAG) status of each outcome can be identified.

5.1.6 Performance information that will best enable Members and the CMT to effectively scrutinise and challenge performance.

Should any measures move from green to amber status, or amber to red status, these will be flagged up (exception reporting). They will be accompanied by an explanation for the slip in status, and mitigating actions will be set out, which will address any problems. This kind of reporting will work as a Corporate health check for the Council in regard to how it is progressing on the outcomes set out in the Corporate Plan and Single Outcome Agreement.

This will enable Elected Members and Chief Officers to better scrutinise progress being made in delivering the Corporate Outcomes for the Council, focussing on where problems are arising, rather than being presented with largely unchanging performance information which does not facilitate robust scrutiny.

The Corporate Performance Indicators will also continue to be reported through the CPR.

5.1.7 Improving the timeliness, accessibility and focus of performance reporting.

It is also suggested that the CPR is submitted to committee on a quarterly basis, rather than eight weekly, to allow progress to be made between each report, and useful information can then be reported. Focussing on exceptions in performance will allow for better focus on areas where problems might be arising. It is not always possible to update performance indicators/actions on an eight weekly basis, so moving to quarterly performance reporting means that officers will have better, more timely information to report. Ultimately all the information will be available through the Inverclyde Performs website (fed by the QPR system), so full accessibility of information will be possible to a wide audience.

5.1.8 Using performance information to link corporate initiatives to service improvement, customer experience and the outcomes identified in the SOA.

The Corporate Plan outcomes align with the SOA outcomes, so it is possible to see from this type of reporting how well the Council is working toward delivering those outcomes. The Directorate Plan actions are also aligned to the SOA outcomes, which provides the RAG status for the Corporate Plan, therefore also ties in.

5.1.9 The SOA outcomes have been extensively consulted on with communities and customers, and ongoing engagement is taking place to capture customer experience. Once the QPR system is fully populated it will be easier to identify areas of service improvement, how that links to the delivery of the SOA, and the feedback from communities about customer experience of services.

5.2 Directorate Performance Reporting

5.2.1 The format of the Directorate Performance Reports (DPR) works well, and is now fully implemented across Directorates, providing updates on progress made on actions, which are also linked to the Corporate Plan and SOA Outcomes. The main changes to Directorate Plans and Performance Reports are to fit to the new Management Structure and incorporate competitiveness testing. This is currently being undertaken through the development of new Directorate Plans for 2010/11 which will be submitted to Committee prior to recess. The next round of Directorate Performance Reports will be submitted after recess.

5.2.2 One of the main changes made to the Directorate Planning process for 2010/11 was the requirement for Directorate Plans to identify services that should undergo competitiveness

testing. Directorate Performance Reports will be the vehicle through which Directorates will report on their progress in carrying out competitiveness testing.

5.2.3 **Improving the timeliness, accessibility and focus of performance reporting.**

Currently the Directorate Performance Reports are reported to every Committee cycle. As with the Corporate Performance Report, eight weekly reporting does not allow for much progress to be made on the majority of indicators, therefore reports do not lend themselves to robust scrutiny by Committee, as little may have obviously changed from one report to the next. Changes will be happening at service level and may be reflected in service plans or work plans, but this detail would not be appropriate to be reported to committee.

5.2.4 It is suggested that Directorate Performance reporting move to quarterly reporting, to the alternate committee cycle from the CPR. Once the Directorate Plans and their actions are uploaded onto QPR then exception reporting can also be used for DPRs highlighting red and amber status of actions, with accompanying explanations and mitigating actions. The reports will focus on delivery per Directorate of their agreed actions.

5.2.5 **Performance information that will best enable Members and the CMT to effectively scrutinise and challenge performance.**

This format will help to highlight and address any issues which are preventing the Council's Directorates from making progress on their Directorate Action Plans and enable more robust scrutiny by committees of that progress.

5.2.6 **Using performance information to link corporate initiatives to service improvement, customer experience and the outcomes identified in the SOA.**

The Corporate Performance Report will capture where the Directorate Plans make a contribution to the Corporate and SOA Outcomes, whilst the Directorate Performance Reports will focus on progress that each Directorate is making towards the delivery of their Action Plans and competitiveness testing.

5.3 **Single Outcome Agreement Annual Report**

The Single Outcome Agreement (SOA) is reported on an annual basis, which is entirely appropriate to the long term outcomes agreed by the Inverclyde Alliance. The format of the report is largely dictated by the Scottish Government, but is agreed by Committee prior to submission.

The SOA is also being uploaded on to QPR and reports will be able to be produced, highlighting the contribution that the Council makes towards the partnership outcomes, through the Directorate Plans. Cross reference will be made between the Directorate Plans and the SOA outcomes on the system.

Progress reports on Outcome Delivery Plans are made on a quarterly basis to the Alliance Board and SOA Programme Board. They are used to enable better scrutiny by these Boards of partnership activity being delivered which will assist in the achievement of the local outcomes. These will inform the annual report.

There are no changes suggested to the current system of reporting for the SOA.

5.4 **Organisational Improvement Plan**

As mentioned in paragraph 5.1.2 a review of improvement actions is being carried out. This will include reviewing corporate actions set out in Public Service Improvement Framework (PSIF) Improvement plans, improvement actions identified as a result of the review of the Best Value 2 Toolkits, and the actions set out in the OIP.

A refreshed OIP will be developed and reported after the recess, restating the Council's commitment to improvement, and bringing together all the improvement actions into one plan. It is anticipated that all the improvement actions will be able to be captured under the existing five work streams of:

- Leadership, Governance and Management
- Organisational Transformation and Improvement
- Workforce Development
- Strategic Planning and Performance Management
- Management of Resources.

Each work stream will be cross referenced to the Best Value characteristics set out in the new guidance for the second round of Audits of Best Value and Community Planning.

Given the high level of the work streams, it is proposed that the OIP will be reported annually.

5.5 Links with preparation for Best Value 2

The approaches highlighted above work together to provide a good robust system, which will help the Council deal with requirements of the new style of audit. Having a clear picture of how the Council is delivering on its own Corporate outcomes, and the local, partnership outcomes as set out in the SOA will demonstrate a clear vision and understanding of what needs to be delivered for the communities of Inverclyde. Additionally, refreshing the Organisational Improvement Plan, drawing all improvement actions together, will make it easier for services to work towards better and/or good practice in each of the Best Value characteristics.

5.6 Links with the Council's Public Performance Reporting (PPR)

The Council has an obligation to ensure that performance information is available to the public, and the reporting processes outlined above, combined with an ability to surface performance reports to the web through the QPR system will fulfil a large part of this duty.

Performance reports can be designed on the system which will allow certain information to be made available on the website, including progress made on the delivery of the Council's Corporate Outcomes.

6.0 IMPLICATIONS

6.1 Finance None

6.2 Personnel Moving to Quarterly Performance Reporting will make better use of officer time freeing them up to be able to deliver on other work streams.

6.3 Legal
None

6.4 Equality and Diversity
None

7.0 CONSULTATION

7.1 None

8.0 BACKGROUND PAPERS

8.1 Best Value and Corporate Services Committee Papers, 2/11/06 and 25/01/07