

## AUDIT COMMITTEE – 14 July 2017

<b>Title of paper:</b>	<b>Corporate Performance Management Framework – Update 2016/17</b>	
<b>Director(s)/ Corporate Director(s):</b>	Richard Henderson, Strategic Director for HR & Organisational Transformation	<b>Wards affected:</b> All
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<b>Other colleagues who have provided input:</b>	None.	
<b>Recommendation(s):</b>		
<b>1</b>	That the Committee note the progress made since the Corporate Performance Management Framework (PMF) was adopted in April 2014.	

### **1. REASONS FOR RECOMMENDATIONS**

Reporting progress since adoption of the PMF shows the Council can demonstrate good governance of its services with the Audit Committee's oversight of this.

### **2. BACKGROUND**

2.1. The PMF was approved for adoption by the Audit Committee on 28 February 2014. An initial progress report was made to the committee in November 2014 and there was also an update on progress in the annual chair's report in May 2015.

2.2. As outlined in the original report, the PMF was revised as part of the Good to Great ambitions for the City and the establishment of a strong performance culture which places citizens at the heart of everything the Council does.

2.3. Following the adoption of the current Council Plan in 2015, the PMF was subsequently revised in September 2015 to reflect this and updated to ensure it remains appropriate and contemporary to the environment the Council operates in.

### **3. Progress**

3.1. The key to the success of the PMF as a driver for achievement and improvement is for it to be embraced as an integral part of our day-to-day activity. Since its adoption, the PMF has become integrated as the key guiding document to corporate and strategic performance management and business planning. The Strategic Business Improvement (SBI) Team (formerly Organisational Planning & Performance) continue to work with colleagues across the Council to embed and develop the PMF to ensure that it helps to deliver our ambitions and the best outcomes for the City and its citizens. Since the initial adoption in 2014, the key work has included:

- **Revisions the PMF** – as stated in the PMF, routine reviews to the document are essential to keep it fit for purpose. The last significant review took place in the autumn of 2015 and this took into account the then newly introduced Council Plan and the newly developed 'Good To Great' Message Map. The document has been

kept under review since then and, while the current document is considered as remaining generally appropriate and fit for purpose, it is now felt that some updates are required and a revised version is being planned for introduction in late 2017.

- **Performance Management training** – In 2015/16, there was a series of Performance Management training workshops to introduce and refresh managers in relation to the key concepts and principles of performance management based on those outlined in the PMF. 150 managers attended the courses with nearly all those attending reporting high levels of satisfaction. In 2016/17, rather than run as stand-alone workshops, the training was integrated into the Institute of Leadership Management (ILM) and Inspire Leadership programmes so that managers can better understand performance and business management in the context of their overall management improvement.
- **Covalent** – In March 2016, the Council extended its software licence agreement for the Covalent performance management system for another five years to 2020. This was confirmation of the value and importance the Council places on the system to improving performance management at the Council. Covalent is now based on a more dynamic and user friendly web format which saw an improvement to the usage and the development of interactive ‘portals’ for managers. Substantial work has taken place to develop these and there are now over 250 ‘portals’ in use on the system. Currently, there are nearly 360 active users with over 1,000 performance indicators and 2,100 actions in use on the system.
- **Business Planning** – having good business plans is considered as the central tenet to developing effective performance management. Therefore, considerable work has taken place to get all services to develop their business planning process. In 2016, a *revised business planning template* for all services to utilise was introduced corporately and the SBI team provided dedicated advice and support to all departments and their services on this. By April 2016, all services were covered by an appropriate and effective annual business plan for the forthcoming year and this was repeated for 2017/18.
- **Performance Boards** – there has been improvements made to the sequencing of performance reporting in that department’s own quarterly performance boards meet ahead of Corporate Leadership Team (CLT)’s own performance meetings. This helps to ensure issues are discussed and addressed effectively at the right level prior to them being presented to the Chief Executive and his senior management team. Improvements were also made to the style and content of CLT’s performance reports to make them more effective and accessible; focusing on ‘exceptions’ to ensure any areas of concern are dealt with directly. They also now integrate reports on the progress made against the equalities plan targets.
- **Reporting Performance to Council Executive** – in 2016, improvements were made to how the progress of the Council Plan was reported to and discussed by the Council Executive. This includes dedicated performance discussions being held each quarter with each executive portfolio holder by the SBI Manager to update them on the key issues in their portfolio with particular emphasis on their Council Plan objectives. Council Executive then consider the progress quarterly at dedicated performance meetings with each of the portfolio holders presenting the issues arising in their portfolio to the meeting.
- **Benchmarking** – the ability to compare performance with others is an important component of the PMF. The removal of the statutory compulsion to report performance to central government makes it difficult to find robust comparators with other authorities as we now longer have to collect and report the same information. We are working with other Core Cities on this aspect and are able to provide comparisons with a small number of our key performance indicators. This

information is reported to CLT as part of their quarterly performance reports if available to enhance understanding of the direction of travel and the scale of improvements needed if necessary. This is supplemented with any nationally reported comparative data in areas such as the economy, employment and crime.

- **Challenge**

- 'Sector led improvement' support has been recommended as a way of providing external challenge to the way the Council operates since the Audit Commission's compulsory assessments were abolished in 2011. In December 2016, it was agreed that the Council should make use of the Local Government Association's Corporate Peer Challenge offer and so in May 2017, a team of senior officers and councillors from other Councils spent a week at the City Council looking closely at a range of aspects including performance management. Their initial findings were that the Council was performing well against its strategic priorities with regular reporting of progress to all levels in place. Amongst their recommendations was to improve reporting of statutory service provision. A full report from the peer challenge team is expected in June 2017.
- Customer feedback is an essential element of performance management to ensure the views of those receiving the services are considered and, if appropriate, taken into account when reviewing the ways they are delivered. The 2016 citizens' survey showed that 71% of citizens are satisfied with the way the Council runs things and 63% feeling that the Council offers value for money. While it would be impossible to attribute these values directly to how we performance manage the Council, they do show that the majority of citizens feel the Council is well run with good services and having good performance management is important in making this happen.
- Targeted audits of key performance indicators by Internal Audit were introduced in 2015/16. The first round of these looked specifically at some of the performance indicators used to measure the key objectives of the Council Plan with the intention of auditing all such PIs by the end of the current Council Plan (in March 2019). These audits focus primarily on the calculation of the PI. One of the key recommendations that has been implemented is improvement to make it much clearer about what is measured and how the data/information is derived.

#### 4. **Next Steps**

In the three years since the initial revised PMF was adopted, there has been significant progress made in improving performance management at the Council, recognised the Peer Corporate Peer Challenge team in May this year. However, there are areas that need some attention and therefore, focus will be made on these over the coming year and beyond. These include:

- Further revision to the PMF to ensure it remains appropriate and up to date (by December 2017). This will be put to Audit Committee for approval at that time.
- Improvements to the information on the intranet to ensure easier access to the PMF and associated supporting documents, advice and support (by September 2017)
- Improvements to how performance issues are 'tracked' once raised at CLT and Executive. This will ensure that any rectifications and responses to the issues are managed more rigorously and persistently (by September 2017).
- Development of e-learning training packages for performance and business management (by October 2017)

- Further development in the use of Covalent especially the use of the interactive 'portals' to provide user friendly and visually attractive access to a service's key performance against their key objectives
- Development of an action plan in response to the recommendations made by the Corporate Peer Challenge team such as developing the reporting of statutory provision

5. **BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING EXEMPT OR CONFIDENTIAL INFORMATION**

Performance Management Framework (revised Sept 2015) – attached.

6. **PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

A revised Performance Management Framework for Nottingham City Council – Report to Audit Committee, 28 February 2014