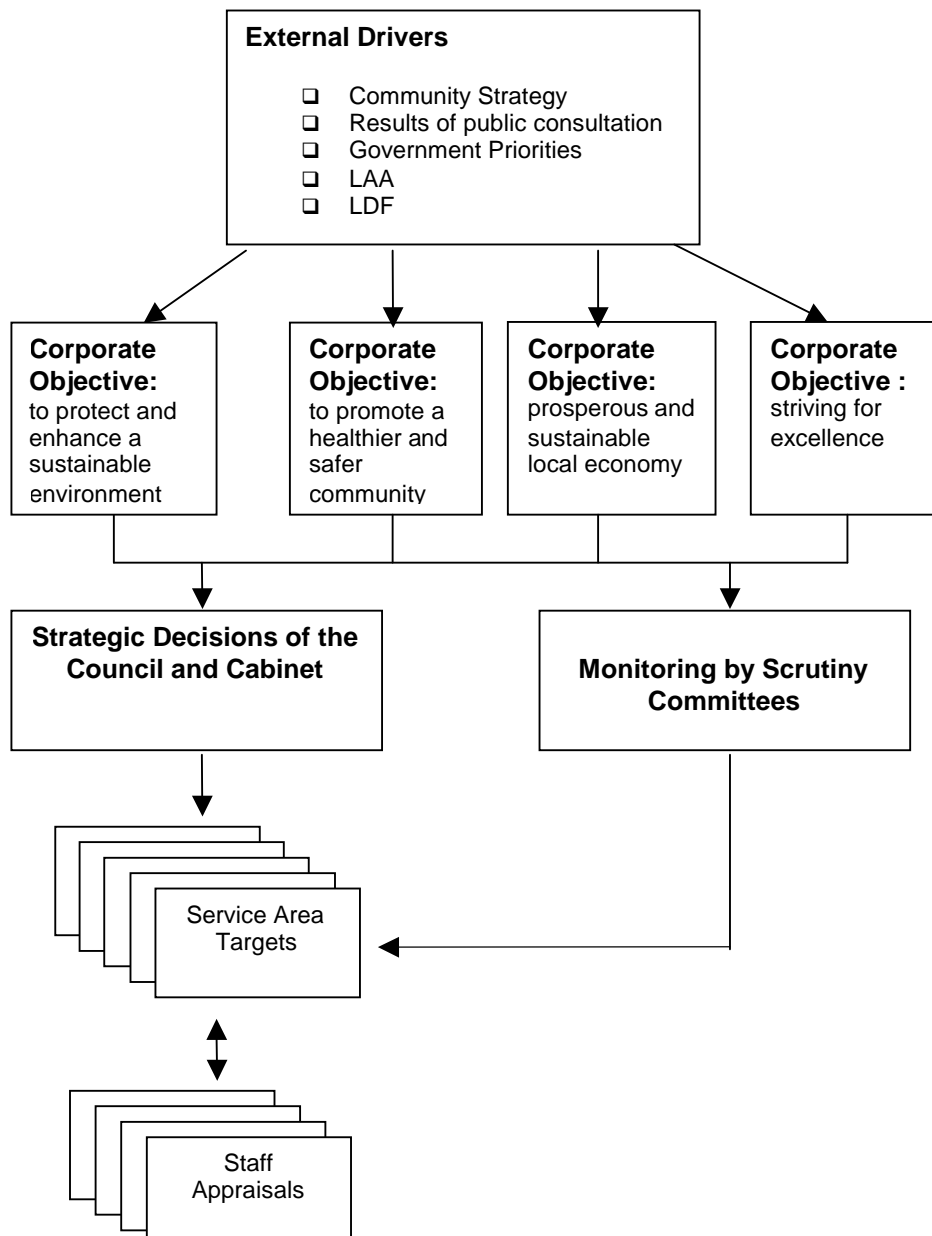


Wealden's Performance Management Framework

“Strong, effective local organisations and local partnerships will be needed to deliver the outcomes that national government and local people want to see” - *Strong and prosperous communities*, Local Government White Paper November 2006

This paper maps out the components and principles of the practice of performance management in Wealden District Council.



Why performance management?

Robust performance management is at the heart of any drive to secure continuous improvement and delivery of high quality services. We can only serve the people and communities of Wealden effectively if we measure and monitor what we do to ensure we are meeting local needs and priorities. The Government and our partners in joint initiatives need to be confident that we can manage our performance effectively to meet targets.

To have the best opportunities to speak up for Wealden and show that we are a sound investment for public money, we need to show that Wealden District Council is an efficient and effective organisation. Performance management is therefore key to demonstrating that we provide high quality services whilst securing value for money and the achievement of local and national objectives.

What is performance management?

Performance management is essentially about:

- ❑ being clear on objectives:
- ❑ how progress on objectives will be measured
- ❑ agreeing on specific actions to achieve them
- ❑ implementing those actions
- ❑ reviewing the result or impact
- ❑ continuous improvement based on outcomes and the findings of such reviews

Effective performance management is the combination of systems and culture focussed on local residents' and customers' needs as well as national priorities

agreed between central and local government. In doing this we also need to co-ordinate our arrangements with those of our partners for delivery.

Public expectations of the quality and value for money of public services rightly continue to rise. To make our contribution to innovation amongst public sector organisations, we must continuously improve what we do.

The need for a performance management framework

If we cannot see success we cannot learn from it and, equally, if we cannot recognise failure we cannot correct it. Also, local government is heavily dependent upon central government funding regimes which have become more and more performance orientated. If the authority is able to demonstrate how good it is and have that validated externally, it then benefits from being perceived as a sound investment for public money and can expect lighter touch regulation. This may take the form of additional funding or investment or it may be a reduction in requirements to produce plans and reports. A sound performance management framework needs to be in place to show how well the Council is achieving its objectives, contributing to national targets and to support sound corporate governance.

The essential ingredients for a performance management framework for Wealden are:

- ❑ clear and strong local leadership
- ❑ clear priorities and ambitions
- ❑ having arrangements in place for the timely and accurate reporting of data to ensure that the information can be used effectively in making decisions about our services and activities, in particular rapid correction of underperformance

- ❑ being able to recognise where a service is performing well and having the capability to apply those practices elsewhere in the organisation to raise performance in other areas
- ❑ being able to demonstrate that we have delivered results to gain public support and recognition
- ❑ anticipating and responding to changing environments driven by continually evolving political, economic, social, cultural and technological factors - in particular, anticipating and planning for the impact of these factors on the interests of the people Wealden
- ❑ learning from and applying best practice from outside of the organisation and benchmarking against top performers
- ❑ quality assurance – service managers, local people, Councillors and external bodies being confident that we measure and report our performance accurately and correctly

Elements of Performance Management in Wealden

The Corporate Plan

Under existing arrangements, Best Value Authorities, including Wealden, are legally required to publish an annual Best Value Performance Plan by 30th June each year. However, authorities judged good, such as Wealden, or excellent in their Comprehensive Performance Assessment are able to use their Corporate Plan to

fulfil this duty. The duty may disappear if current proposals in the Local Government & Public Involvement in Health Bill are implemented but the Council will still need to report its performance under the new national performance framework and map its performance against objectives as well as demonstrating its arrangements to secure continuous improvement and value for money.

Wealden's Corporate Plan functions to summarise the Council's achievements and targets and assess its direction of travel against its objectives and priorities. It is dynamic in that it plans the Council's future activity over a rolling three year programme and, being primarily web based, is regularly updated to reflect the Council's progress and response to new issues.

Notwithstanding the current statutory deadline, the Council's Corporate Plan and associated Service Plans are designed to be used from the beginning of the financial year. The Plan itself is intended to be accessible to a relatively wide audience for this type of document. Detailed aspects are therefore contained in appendices for:

- Appendix A - Service Plans for each of the Council's 12 service areas
- Appendix B - Details of performance against Best Value Performance Indicators and local indicators
- Appendix C - Background information describing the key structures of the Council and the various partnership arrangements within which it operates

Service Plans

Each of the Council's 12 service areas produce annual Service Plans in conjunction with the Corporate Plan. Service Improvement Plans set out the key improvement actions for the service during the financial year. In managing their area's performance Service Heads also manage their budgets to enable delivery.

Service improvement planning in relation to initiatives coming out of Best Value or other service performance reviews is applied through Service Plans as well as implementation of adopted inspection recommendations.

Performance Reporting

Performance reporting in addition to statutory returns principally involves the submission of performance data each quarter to Cabinet which is subsequently considered with Cabinet's observations and recommendations, by the Scrutiny Committees with regard to performance indicators within their remit every six months. The Portfolio Holder for Performance Management makes recommendations in the report to Cabinet accompanied by the comments of Portfolio Holders on performance within their individual Portfolios.

The Council's performance against performance indicators is updated in electronic performance indicator report sheets published around the same time as the report to Cabinet.

In order that performance can be reported quarterly, Service Heads are responsible for providing data to the Policy and Review Service (Malcolm Harris - Ex 3744 is the current Policy Officer contact) **by the seventh day of the month following the end of the quarter** or the first working day thereafter should it fall on a weekend or bank holiday. Exceptions to this requirement are only made in respect of data not being available from external sources and in these instances data must be provided at the earliest opportunity.

In co-ordination with internal reporting arrangements, Best Value Performance Indicator data and other data required by Government Departments and the Audit Commission, such as Planning Statistics 2 and Housing Investment Programme returns, must be provided in good time to enable the Council to meet the relevant statutory deadlines. All returns should be copied at the time of submission to the Policy Officer dealing with performance management so that the Council has a full picture of its performance.

Performance Indicators

Performance indicators used by the Council to measure and report its performance fall into two broad categories of nationally prescribed indicators and local indicators.

National performance indicators are largely prescribed by statute and the Council has a legal duty to collect and report them. They principally comprise Best Value Performance Indicators (BVPIs) but they also include indicators reported under various national monitoring regimes such as for planning, housing and benefits. Significantly, non-BVPI indicators featured in the external audit of indicators in the Summer of 2006. Because the Council is not assessed on BVPI data alone **it is important that the Policy and Review Team are provided with timely copies of all data reported to Government departments and agencies** (e.g. Housing Investment Programme data) **and local partnerships** (e.g. the East Sussex Local Area Agreement) to ensure that this is all captured within the Council's performance management data base. Also, relevant data can be fed into Cabinet and Scrutiny reports to provide the Council with a 360⁰ overview of key issues. A new statutory performance indicator regime can be expected from 2008/09.

Local performance indicators are those where there is not a national statutory requirement to collect them but where they have been adopted or devised by the Council to provide a more informed picture of performance in key areas. In some instances these will have been developed with partners in other authorities and organisations or through professional bodies. Local indicators often feature in reports to Members but in some instances may be so specialised or technically detailed to have significance only at service management level. These are sometimes referred to as 'management indicators'.

The collation and reporting of data nationally and regionally has been developing not only on a statutory basis. For example, the [Audit Commission's Area Profiles web-pages](#) gather data from many sources to provide a data portrait of our District. On a more detailed level, [East Sussex in Figures](#) is growing as a data observatory for the County providing information for very precisely identified locations over a comprehensive range of subjects. The County wide perspective is increasing in significance with the implementation of the Local Area Agreement (LAA) and the reporting of performance, often using BVPIs, against the Agreement's targets. In addressing the Council's objectives and priorities, these multiple resources need to be taken into account. Their utilisation is evident in Cabinet's and Scrutiny Committee's use of performance information and CMT's application of the new service performance analysis tool introduced under new arrangements for Comprehensive Performance Assessment of district councils. Furthermore, performance reporting relating to LAAs is likely to be part of the statutory set up after 2009.

Performance Targets and Standards

To measure our progress towards and attainment of local and national objectives, the Council needs to set targets for its performance indicators. Some targets are statutorily prescribed and others are at the Council's discretion. Targets show local people how we intend to improve in future and what service improvements it is reasonable to expect. At a wider level, central Government analyses national and regional targets to predict the future performance of local government. Targets are also used by auditors and inspectors as evidence of ambition and future priorities. They enable us to give auditors and inspectors a 'snapshot' to understand what expectations of Wealden would be reasonable given the resources available to us.

'Performance standards' are those standards in respect of BVPIs that must be met by the Council. Failure to meet a performance standard will normally be judged as a failure to achieve Best Value for the particular service involved. There are presently performance standards relating to recycling and composting, and planning.

Top-quartile targets are those for which local authorities should aim to reach the performance level of the top quartile of performers nationally in the previous financial year's outturns. Top-quartile targets have been set for BVPIs measuring performance on Council Tax and Business Rate (NNDR) collection, staff sickness, early and ill health retirements. Top quartile statistics for these BVPIs are available on the [Department for Local Government and Communities' Local Government Performance web-pages](#). Targets are also set for the payment of invoices and the benefits service.

As a Best Value Authority Wealden is required to set targets for all other BVPIs which do not have nationally-set targets. Targets need to be challenging but realistic given local circumstances and the resources available. With regard to both national and local indicators, targets should be set three years ahead and rolled forward when revising the Corporate Plan. Only setting targets one year in advance would suggest a lack of strategic thinking. It is acknowledged, however, that third year targets may have a 'blue sky' quality.

Targets for indicators concerned with the cost of providing a service should allow for inflation and the [Treasury's GDP deflator](#) (sic) should be used. Reporting of financial BVPIs should be in accordance with the CIPFA Code of Practice in Best Value Accounting. Under the code, Best Value Authorities are required to account on the basis of 'total cost', rolling in capital charges.

Data Quality

The Council's values include conducting our business in the public interest with integrity, being even-handed, open and accountable. Performance indicators are an open measure of how we conduct that business and our integrity is undermined if we cannot demonstrate that we have collected data accurately and in compliance with prescribed definitions and guidance. Failure to deliver compliant data can have serious consequences such as the loss of central Government grant or not being able to benefit from freedoms and flexibilities which may be available to authorities which have demonstrated good performance through compliant systems.

Data quality is also important within the Council itself. Clear decision making can only be done with clear information. The effective management of our business to

meet local needs with the limited resources available to us relies upon up to date accurate and compliant data.

It is the responsibility of all Heads of Service to have arrangements in place to record and return the relevant data in accordance with prescribed

requirements and ensure that they and their staff are up to date with current requirements. Directors and Portfolio Holders depend upon reliable data for

strategic decision making and also seek to ensure the accuracy and compliance of the Council's reported data. Data quality procedural notes should be available in all

departments and systems in place to record and demonstrate how data is produced and to provide audit trails. Checks on data quality are undertaken as part of a

corporate review of indicators for preparation of the Corporate Plan and as part of the Audit Role. Having accurate data of a reliable quality will receive even greater

emphasis in view of the Government's ambition, outlined in the White Paper, to report more up to date information nationally.

Data Security and Freedom of Information

Alongside the quality and timeliness of data must be placed arrangements for it to be held legally and securely and for it to be publicly accessible in accordance with relevant legislation.

To maintain the integrity of data, Heads of Service should arrange for its secure retention and maintenance. Records of calculations should be retained to provide a clear audit trail to explain, when required, how reported performance outturns are arrived at. Performance information used by the Council generally seeks to summarise trends in our performance. It should not be forgotten, however, that this information is collated from data referring to individual service users or residents. In

producing, recording and reporting performance information the Council's duties under data protection and freedom of information legislation should be observed with reference to the following:

- ❑ [Information Security Policy](#)
- ❑ [Wealden's Data Protection Registry Entry](#)
- ❑ [Staff Freedom of Information Handbook](#)

Common Sense

Good quality data is the essential ingredient for reliable performance and financial information to support decision making. The data used to report on performance must be fit for purpose, and represent Wealden's activity in an accurate and timely manner. At the same time there must be a balance between the use and importance of the information as well as the cost of collecting the requested data to the specified level of accuracy.

Multiple requests for the same data and evidence to support it sometimes appear to show a lack of joined up thinking on the part of the external bodies requesting it. Whilst the Council will always aim to be helpful in meeting requests for data it will be concerned where inordinate requests make unnecessary calls on what are public resources provided for the delivery of services to the public.

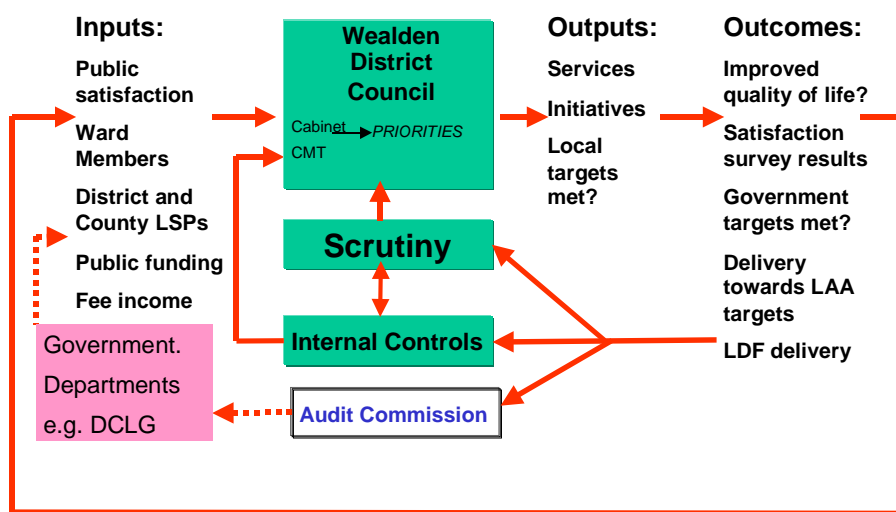
Joining it all up

The Golden Thread

The adoption of a Performance Management Framework is an academic exercise if it is not integrated within all levels of the Council's activity including working with partners. Management of performance must be co-ordinated from the strategic level of the Council's role in the Wealden Local Strategic Partnership and in playing its part in the East Sussex Local Area Agreement down to the day job for individual employees and embodied in the staff appraisal system. This integrated approach is commonly described as 'the golden thread'.

Performance Cycle

To sustain continuous improvement the Council's Performance Management Framework tracks the process of planning, implementing and delivering priorities. Most importantly, it also assesses the outcomes of delivery both in terms of protecting and improving the quality of life in the District and how its performance is evaluated by the Government and the Audit Commission.



Integration with partners

The new Government White Paper on local government indicates that the Council will be closely assessed on its ability to perform a place shaping role. Crucial to this is the effective management of its relations with partners to deliver joint priorities for the District. This in turn is dependent upon performance management arrangements being carefully integrated between partners.

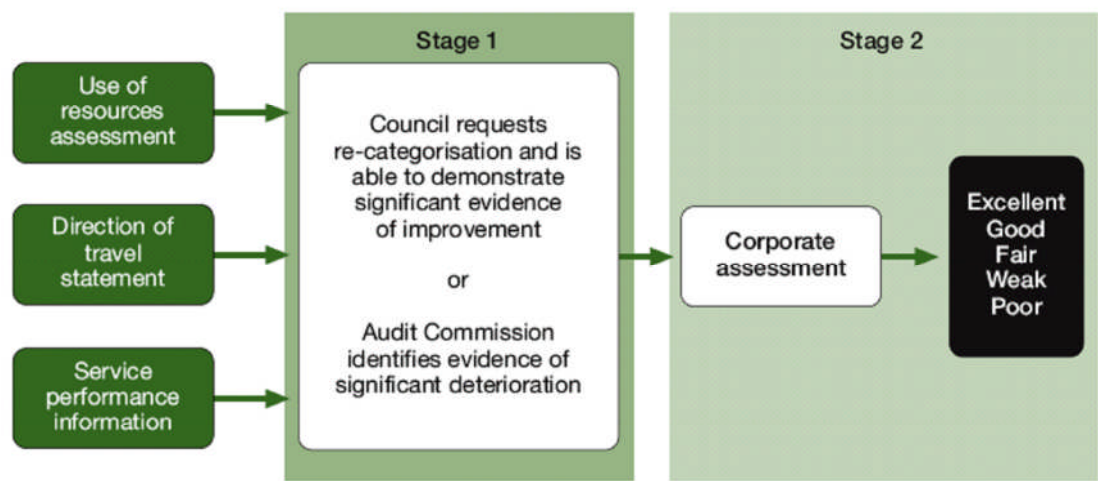
The Council is already reporting and assessing its contribution to attaining LAA targets on a quarterly basis where practicable.

National monitoring

The Council has evaluated its performance against national BVPI quartile data over a number of years. The District Council CPA framework requires us to be aware of how the individual elements of our service performance information contribute to the overall evaluation of the Council in comparison with all other district councils.

Furthermore our stated performance provides the evidence of our direction of travel.

District council CPA framework



Future Development

Assessment of the Council's achievements and direction of travel needs to look at three factors:

- ❑ Progress towards corporate objectives and priorities
- ❑ Performance indicators
- ❑ Financial monitoring

The CPA framework integrates assessment of a council's use of its resources with assessment of its service performance. In performance monitoring and reporting, Wealden has worked to join up these factors, for example in featuring budgetary data in Service Plans and reporting on financial measures to the Internal Scrutiny Committee. The Council's performance management will seek to further integrate the assessment of outputs and outcomes alongside the financial resources used to achieve them within the Medium Term Financial Strategy as well as the delivery of value for money. A particular initiative will be combining quarterly financial monitoring with the reporting of performance.

The Local Government White Paper *Strong and Prosperous Communities* points to the development of CPA into Comprehensive Area Assessment and the rationalisation of the national of performance regime from 2008/09. Wealden's future arrangements are therefore likely to tie in more closely with partnership reporting systems and the convergence of national and local priorities.