

Informal Joint Performance and Audit Scrutiny Committee



Forest Heath
District Council

Title of Report:	Performance Management 2015/16	
Report No:	PAS/FH/15/009	
Report to and dates:	Performance and Audit Scrutiny Committee	4 June 2015
	Cabinet	14 July 2015
Portfolio holder:	To be confirmed at the Annual Council meeting on 27 May 2015.	
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Purpose of report:	This report sets out our approach to Performance Management in 2015/16 through the use of a recognised performance management tool, the balanced score card.	
Recommendation:	Performance and Audit Scrutiny Committee: Members are requested to review and comment on the approach to Performance Management for 2015/16.	
Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	

Consultation:	<ul style="list-style-type: none"> This report has been prepared in consultation with all relevant staff and Leadership Team. 		
Alternative option(s):	<ul style="list-style-type: none"> The option of doing nothing may result in poor performance, monitoring performance can highlight where remedial action may be needed 		
Implications:			
Are there any financial implications? If yes, please give details	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> There are no direct financial or budget implications arising from this report. Poor performance levels may impact on the Council's financial position. 		
Are there any staffing implications? If yes, please give details	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 		
Are there any ICT implications? If yes, please give details	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 		
Are there any legal and/or policy implications? If yes, please give details	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> There are no legal implications from this report. Poor performance levels may impact on the Council's ability to implement its policies or high-level strategies. 		
Are there any equality implications? If yes, please give details	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 		
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	Low/Medium/ High*		Low/Medium/ High*
Failure to adopt a performance management approach for 2015/16 results in poor performance levels which may impact on resources	Medium	Report through to PASC outlining the approach for 2015/16 and use of a recognised performance management tool	Low
Failure to achieve optimum or target performance which may impact on resources	High	Regular reporting of performance to Joint Leadership Team, Portfolio Holders and to PASC can highlight where remedial action may be needed.	Medium
Ward(s) affected:		All Ward	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		None	
Documents attached:		Appendix A – Balanced Scorecard template for West Suffolk	

1. Key issues and reasons for recommendation(s)

1.1 Key Issues

1.1.1 All of our transformational activities require us to understand our performance. This report outlines how we will assess, manage, monitor and develop our overall approach to performance management. This is important because we need information on inputs, outputs, outcomes, risks, use of resources and how we manage projects, both for our own services and those of our partners.

1.1.2 This report reflects on the roles and responsibilities of all staff and management levels in the performance management approach. Our aim is to provide access to accurate, timely and relevant information for decision making, along with the skills and knowledge to analyse results and design improvements when needed.

1.1.3 The benefits of effective performance management

- clear, timely and better quality information will help us to **focus our efforts and resources** on the things that will provide the greatest benefit to stakeholders. Improved performance management will support a culture of **continuous improvement** by using evidence to identify the most efficient and effective approaches that provide the best value for money.
- inclusive performance management, that involves all staff, will **give employees the business information they need**, empowering them to understand their service area, identify improvements and make sound decisions about the way forward, using the available technology. We will need clarity about the roles and responsibilities for performance management and the recent service manager restructure will support us in this.
- being able to communicate performance information to stakeholders will help us to **improve accountability and increase confidence** in West Suffolk

1.2 **Proposals for performance management arrangements**

1.2.1 The performance framework needs to be:

- **Proactive and responsive** to issues arising in performance terms in real-time;
- **Simple and easily understood** for our internal and external performance discussions (with our partners);
- **Integrated** with and compatible with our existing technology and accessible from all IT devices;
- **Available in real-time** by being automated as much as possible so as not to create an industry and to ensure the information is available in a timely manner;
- **Encourage staff ownership** not just for following processes but for producing results to our stakeholders;
- **Adaptable** to allow management to deliver key performance messages and challenges to various audiences;
- **Proportionate** to ensure the data and information is of value taking into account the time and efforts that were needed to collate and facilitate it;
- **Transparent** so that performance is articulated and understood and can be presented externally;

- **A facilitator for challenge** to the performance discussions;
- **Democratically accountable** and encourages feedback and scrutiny through PASC, Portfolio Holders and senior managers;
- **A facilitator for a performance culture** by moving from measuring and reporting to managing and improving results;
- **Commercially-minded** to drive the desired behaviours and decision making;
- **Adding value** by facilitating the production of accurate, timely, unbiased and trend information for high-level decision making as well as for day-to-day management, resulting in better results overall and to our stakeholders;
- **Enabling links** between the various performance disciplines, including the links between inputs and outcomes;
- **Supported by the use of a performance management tool** with visual presentation and the recognised traffic light Red, Amber, Green (RAG) ratings;
- **Trusted** by West Suffolk customers, staff, councillors and stakeholders by achieving the above.

1.2.2 It must be noted that whilst benefits of the new framework should accrue from the beginning, those benefits increase over the coming months/years, as the new performance management principles and practices become embedded in the West Suffolk culture. Consequently, we need to sustain and improve our performance management framework in order to gain the greatest benefit.

2. Performance Management approach 2015/16

2.1 Proposed performance management tool

2.1.1 The right performance management tool can act as a catalyst for creating and sustaining the performance management framework desired by the West Suffolk councils. A recognised performance management tool is the balanced scorecard.

2.1.2 The **Balance scorecard (BSC)** is a measurement tool that seeks to integrate information from multiple areas/disciplines across an organisation, connecting financial data, business processes, and customer feedback to obtain a balance between internal and external measures, between objective and subjective measures and between performance results and the drivers of future results. There are a number of versions of balanced scorecards that have, over the years, been used in different industries. Our preference is to present the information in a dashboard style. Once automated, dashboards could be produced for different levels in the organisation; for different services; by Portfolio Holder; by issue etc, according to the audience.

2.1.3 Adopting this tool could do much more than create a framework for measuring the performance of West Suffolk. We could use the Balanced Scorecard to transform West Suffolk's strategy, set measureable goals and design a timetable for execution. Through BSC, we can focus on measuring and observing the cause and effect relationships between key objectives and have an accurate report on leading and lagging initiatives.

2.1.4 A balanced scorecard approach requires considerable database, data flow and data presentation capacity. We need to explore the best options for this, in order to ensure integration with existing systems and automation wherever possible. Further work is needed on the best supporting system on which to base a new approach and in the absence of an integrated/automated system, the development of the BSCs have been

based on Excel, providing the functionality need to present the data but only after manual input into the file.

- 2.1.5 It's important to stress that the framework and tool is a means to an end, not an end in itself. Simply implementing a new performance management tool onto our existing traditionally managed Councils may sound a simple step to achieve, but in practice, it is not likely to make much difference immediately. To develop we must continue to develop the councils' attitude, culture and behaviours towards performance management through the councils' appraisal systems and practices.

3.0 Progress, next steps and timescales

- 3.1 Work has commenced on developing the Head of Service level BSC along with a Corporate BSC that would be presented to this committee on a quarterly basis. These BSC's are designed to support members in the scrutiny of the councils' performance and delivery against its strategic priorities. Service Managers will also hold service level BSC's to assist with the performance and delivery of their operational service responsibilities.
- 3.2 Following the 4 June PASC discussions, the next step is to present the Head of Service Level and Corporate BSC's along with the 2015/16 performance targets and 1st quarter performance data to this committee for scrutiny on 30th July. It is envisaged the BSC report will replace a number of the existing reports that currently go through this committee, such as the quarterly Key Performance Indicator report, quarterly Strategic Risk Register report and the Bi-annual Corporate Complaints and Compliments report.
- 3.3 Over the next few months, staff will also look for options for the best supporting systems to deliver on our desired performance management outcomes (as detailed in paragraph 2.1.4 above).