

SUBJECT: Overview of Performance Management Arrangements

MEETING: Audit Committee

DATE: 28 November 2019

DIVISIONS/WARDS AFFECTED: All

1 PURPOSE

- 1.1 To ensure that members understand the Council's performance framework.
- 1.2 To present an update on the current effectiveness of the authority's performance management arrangements.

2 RECOMMENDATIONS:

- 2.1 That members use the update provided to inform their understanding of the effectiveness of the operation of the authority's performance management arrangements and identify any areas where they feel action needs to be taken or further information provided.

3. KEY ISSUES:

- 3.1 Performance Management is about establishing a shared understanding of what needs to be achieved and making sure that it happens. The council currently has an established performance framework; this is the way in which we translate our purpose - building sustainable and resilient communities - into action and ensure that everyone is pulling in the same direction to deliver real and tangible outcomes. This is shown in appendix 3.
- 3.2 Our performance framework:
 - Translates our purpose, which we share with our partners on the PSB, into the council's own well-being objectives, which are based on the same well-being assessment as the Public Service Board objectives, and form the backbone of our five priority goals in the corporate plan.
 - Places an expectation on teams to translate these into specific, measurable actions in their service business plans
 - Contains a broad range of data to monitor impact and measure the performance of services
 - Requires employees to receive regular appraisals to demonstrate how they are contributing to the objectives

Other key processes that are part of and/or facilitate aspects of the framework, include the Whole Authority Strategic Risk Assessment and self-evaluation arrangements.

- 3.3 The council's performance framework needs to continue to evolve to reflect and plan for the challenges and opportunities facing council services. The Well-being of Future Generations Act is one example where our framework has been adapted to support services to apply the act and continue to think more about the long-term.
- 3.4 Appendix 1 provides an appraisal of the arrangements that make up the framework to ensure that Audit Committee are able to take an overview of their effectiveness. Each arrangement has been scored based on the council's self-evaluation framework:

Level 6 Excellent; Level 5 Very Good; Level 4 Good; Level 3 Adequate, Level 2 Weak; and Level 1 Unsatisfactory. The committee last received an update providing an overview on performance management arrangements in November 2018.

- 3.5 Cabinet also agreed, as part of the Corporate Plan commitment, an annual report to be received by Audit Committee, on the continued effectiveness of the council's strategic planning framework, ensuring the necessary checks and balances are in place around monitoring, evaluation, decision-making and policy-making. The report in appendix 1 forms the basis of this evaluation for performance monitoring and evaluation; further information assessing the effectiveness of decision-making and policy-making is in appendix 2.
- 3.6 The council also places reliance on regulatory assessments as a vital part of our framework. These are Wales Audit Office (WAO), who examine the authority's corporate arrangements; Estyn, in relation to education provision; and the Care Inspectorate Wales, in relation to social services. Where applicable, the most recent findings of regulatory work have been factored into the appraisal of arrangements.
- 3.7 Audit Committee receive relevant Wales Audit Office performance audit reports throughout the year as they are published, which include any further areas of the council's arrangements where it is considered the authority needs to take action. The conclusion of these reports is consolidated within the regular Proposals for Improvement update report provided to the committee.

4. RESOURCE IMPLICATIONS

- 4.1 There are no additional resource implications as a result of this report. However, there may be resource implications in undertaking further actions as directed by Senior Leadership Team or as recommended by the Audit Committee.

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Appendix 1 - appraisal of performance management arrangements

	Well-being Objectives & Improvement Objectives
Purpose:	<p>The Council has a responsibility under the Well-being of Future Generations (Wales) Act 2015 to set well-being objectives. To achieve this we must:</p> <ul style="list-style-type: none"> • Set and publish well-being objectives (initially by 31st March 2017) • Take all reasonable steps to meet those objectives • Publish a statement about well-being objectives • Detail arrangements to publish an annual report of progress <p>The Council is also still required under the Local Government (Wales) Measure 2009 to set annual Improvement Objectives, produce an Improvement Plan and report annually on progress. The Welsh Government is consulting on a proposal to repeal Part 1 of the Measure, which would remove this requirement in future years.</p>
Evaluation Score:	Level 4 - Good
Position October 2019	<p>The council's Corporate Plan 2017-2022, approved in February 2018, sets out the Council's five organisational goals, which also incorporate our well-being objectives, supported by 22 commitments to action we will take and the ways in which they will be measured in the run-up to 2022. The purpose and priorities set for Monmouthshire in the Corporate Plan also reflect our contribution to well-being objectives set for the county by the PSB well-being plan.</p> <p>In February 2019 Council adopted the goals contained in the Corporate Plan 2017-22, as the Council's Improvement Objectives for 2019-20 in order to comply with the requirements of the Local Government (Wales) Measure 2009. Wales Audit Office have issued a certificate of compliance stating the Council has discharged its duties to prepare and publish an Improvement Plan in accordance with statutory requirements of the Local Government Measure 2009.</p> <p>The annual report on progress and performance in 2018/19 on the corporate plans was presented to Council in September 2019 and outlined the progress made to achieve the goals identified in the corporate plan. Our progress against each goal was assessed on a scale of 1 to 6, unsatisfactory to excellent. Three goals were identified as being 'Adequate' and two as being 'Good'. A further evaluation of activity and progress was carried out on each of the 22 commitments to action that sit under each goal, with a progress rating provided for each of either: progressing well, taking steps, attention needed or no activity. Criteria for each rating was identified, there was feedback provided regarding the methodology used for these progress ratings, which will be considered for future reporting. Wales Audit Office have issued a certificate of compliance for the audit of Monmouthshire County Council's assessment of 2018-19 performance.</p> <p>This year utilising a tool provided by the Future Generations Commissioner, we undertook a self-reflection of our progress to date in meeting the requirements of the Well-being of Future Generations Act, how we are embedding these in our corporate plan goals (also our well-being objectives) and to identify further progress we can make to embed the principles of the Act. The Future Generations Commissioner provided feedback on our self-reflection, and identified ways in which we were progressing well, and also areas where could strengthen our contribution to the Act. This provided a helpful perspective on our work to date, and facilitated shared learning with other organisations who have responsibilities under the act. Areas for</p>

	<p>consideration and improvement have been reflected upon and where relevant, incorporated into our most recent annual report. Some of the feedback may take longer to embed and the impact may not be recognised immediately; we continue to work to strengthen the application of the act in our work.</p> <p>A mid-term review of the commitments in the Corporate Plan is being undertaken. This will ensure that the aspirations and activity in the plan remain relevant reflect the latest thinking on issues of importance to our communities such as the recent motion declaring a climate emergency.</p>
Key future actions	Finalise the mid-term review of the Corporate Plan and ensure any amended or new actions are fully embedded into business plans.
	Continue to utilise feedback from the Future Generations Commissioner’s self-reflection tool to strengthen application of the sustainability principles and contribution towards the well-being goals.

Service Plans

Purpose:	Each service sets a Service Business Plan for a three year period (currently 2019-2022). Service Business planning and regular evaluation of our performance is fundamental to how we operate. It allows services to plan for the future, assess what went well, learn from what didn’t and measure the impact the service has made on people and places of Monmouthshire. Service Plans ensure clear alignment between the council’s priorities and objectives, and detail the actions the service will be undertaking, performance measures to assess progress and risks facing the service and mitigating actions.
Evaluation Score:	Level 3 - Adequate
Position October 2019	<p>The Corporate Plan sets a clear direction for the council up to 2022. To ensure its effective delivery, the role and purpose of service planning was reviewed in 2018 and a revised process established. The revised Service Business Planning (SBP) process ensured services planned for the present and the future as it introduced a three-year duration for all plans.</p> <p>Service planning is based on principles that services must comply with in their plans. The principles are based on six key areas: Purpose, Evaluate, Action, Impact and Alignment, Data and Risks.</p> <p>The principles and template were further updated as part of the 2019/22 planning process. As well as ongoing support, two service business planning workshops have been held. The workshops were developed to provide practical support on business planning.</p> <p>2019/2022 plans have been corporately appraised by the Policy and Performance team against the principles. This demonstrates that there remains variability in the overall quality and completeness of some plans, which limits the effectiveness of these plans as a mechanism through which the service plans, reviews performance and is held to account. Feedback and assistance is being provided to services, where required, to strengthen their planning.</p> <p>Performance against the plans is assessed quarterly by services. The plans are available on the council’s intranet, The Hub, and are accessible to officers and members providing increased</p>

Key future actions	<p>transparency and facilitating challenge, by managers, leaders and cabinet members, of progress and clear alignment to the vision and strategic direction of the organisation. Quarterly updates are not always completed within timescales set, which lessens their ability to be utilised in a timely manner for accountability.</p> <p>Supporting the business planning process, the Council’s enabling strategies were refreshed - Digital, People, Asset Management, Procurement and Commercial. The delivery of which is aligned with in the relevant service business plan. Progress made against all strategies will need to continue to be reviewed to ensure timescales are on track and activities are continuing to make progress against set objectives.</p>
Key future actions	<p>Support services to implement feedback from the appraisal of 2019/22 business plans to strengthen the quality of planning.</p>

Performance data and information	
Purpose:	<p>Performance data and information is essential to our performance framework. This comprises of nationally set performance indicators and locally set indicators that services have developed to measure the impact of their service.</p> <p>All staff and members need to regularly access and use performance and analysis of performance effectively and efficiently to evaluate the performance of a service.</p>
Evaluation Score:	<p>Level 4 – Good</p>
Position October 2019	<p>The data quality process continues to be strengthened and is continually amended to take account of previous audit feedback. Internal guidance notes on completing national and local performance indicators are produced setting clear requirements for data compilers. There is continued support from the Policy and Performance team with a specific and clearly defined role for Internal Audit to quality assure data and the systems producing the data.</p> <p>In 2019 the internal audit of nationally set indicators has been given a draft control rating of “substantial” assurance and for local performance indicators (those used in the Council’s Corporate Plan) provisionally there are no major weaknesses identified in the indicators tested during the audit. There remain recommendations from the internal audit reports that require further attention to ensure data quality processes are improved.</p> <p>The Council’s Corporate Plan goals set out a range of measures that are used to evaluate progress. Developing the right metrics of community well-being is a continuing process, to allow us to evaluate the efficiency and effectiveness of current service delivery while also track progress against longer term community well-being objectives. To do this we also continue to work with our Public Service Board partners at a local level as well as across the Gwent area.</p> <p>The appraisal of service business plans demonstrates that there is variability in the overall quality and completeness of performance indicators utilised to assess performance in service business plans. Feedback and assistance is being provided to services, where required, to strengthen their planning. It is recognised that there is a particular difficulty in developing performance measures, targets and risks to data quality when setting up new</p>

policies, initiatives or arrangements. These areas will be continue to be targeted for performance team support.

The “data hub”, the council’s performance measurement area has been streamlined to ensure the information is up to date and focussed on the most pertinent performance data, tracking progress on measures set in the Corporate Plan and national performance indicators.

We are continuing to develop a more comprehensive understanding of the authority’s data assets, share experiences about good practice and identify future opportunities that will help turn data into actionable knowledge. Ensuring the organisation makes the best possible use of the information it holds remains a focus and is linked to commitments made in the Corporate Plan to increase the publication and use of open data to increase accountability and revise performance and improvement plans.

The technology is being tested to enable the creation of data dashboards, which will make use of automated open data feeds, where possible, and other internal and external data sources. The development of pilot dashboards has begun, including work through Monmouthshire Public service Board exploring displaying selected data items that were used in the well-being assessment. The learning from these pilots will be used to inform the future direction.

Work to develop our approach to open data has been progressed and our open data webpage has been refreshed. We are looking at how we can further develop our open data offer to build on existing information that is already published on our website such as council spend data.

Key future actions

Continue to strengthen the data quality process using internal audit feedback

Support services to make better use of data to inform service planning and transformation including: data visualisation, data analysis and developing the Council’s use of open data.

Strategic Risk Assessment	
Purpose:	<p>The strategic risk assessment captures the High and Medium level risks that face the council in line with the council’s risk management policy. This ensures that:</p> <ul style="list-style-type: none"> • Strategic risks are identified and monitored by the authority • Risk controls are appropriate and proportionate • Senior managers and elected members systematically review the strategic risks facing the authority
Staff Appraisal (Check-In, Check-Out)	
Purpose:	<p>Appraisals enable all staff to understand what is expected of them, to agree how values and behaviours are linked to how we perform at work and to ensure that all of our work links to the wider purpose of the organisation. Managers at every level are expected to set the right standards, coach, motivate, feedback on poor performance and recognise those people who deliver good performance.</p>
Evaluation Score:	<p>Level 3 – adequate</p>
Position October 2019	<p>The employee performance framework, ‘Check-In, Check-Out’ (CICO) provides a value-based performance assessment approach between staff and line managers.</p> <p>Based on feedback received, the CICO process has been reviewed and rolled out with more robust guidance, video tutorials and supportive training.</p> <p>In December 2016 Wales Audit Office completed a follow up review on the council’s Human Resources arrangements, following their corporate assessment in 2015. The review found the council has “improved its approach to staff appraisals but not all staff are having their annual appraisals”. Activity to address some of the proposals for improvement from these reports remain ongoing.</p> <p>Work is continuing in order to increase understanding of the CICO process and maximise completion; it has been included in the new manager’s Induction training.</p> <p>A longer term, more effective recording module was developed that allowed managers to record the completed CICO directly into the HR system. This has had varying degrees of success due to a number of factors, namely issues with the system preventing the input of CICOs, and also reports from some managers that they prefer to complete the CICOs differently and not utilise the system as they feel it provides a better experience for their staff. To enable managers to complete the reviews in a way that suits them and their teams, all managers have been instructed to input the completed CICO numbers into their quarterly business plan updates. This way, the CICO rate can be recorded without the need to impose the electronic system. Information has been provided via service business plan update guidance to support managers to utilise the plans to record rates of completed CICOs.</p> <p>Furthermore, HR have started the procurement process for a new HR/payroll system and are currently running a series of supplier days for HR/Payroll system providers to present their products. CICO or performance appraisal is on the list of requirements for the new system.</p>
Key future actions	<p>Increase understanding and use of the check-in, check-out process and improve recording mechanisms</p>

	<p>The risk assessment will evolve as new information comes to light. It is available on the council's intranet, the hub, and can therefore be used by select committees throughout the year, it is also specifically reported to audit committee annually and signed off by Cabinet once a year as an accurate record of the risks facing the organisation.</p>
<p>Evaluation Score:</p>	<p>Level 3 – Adequate</p>
<p>Position October 2019</p>	<p>The risk assessment is prepared and updated, in line with the Council's strategic risk management policy, by drawing on a wide range of evidence including service plans, performance measures, regulatory reports and progress on the previous risk assessment.</p> <p>The up-to-date risk log is accessible to members on The Hub. This ensures that select committees are able to re-visit the information at any point in the year to re-prioritise their work plan as appropriate.</p> <p>The latest risk register has been reviewed to ensure it includes risks to the delivery of the Corporate Plan. All service business plans have been reviewed to identify any strategic risks that require escalation to the strategic risk register. The strategic risk register was reported to audit committee in January 2019 and Cabinet in March 2019. The latest risk register identifies 13 strategic risks.</p> <p>The WAO whole authority review of children's safeguarding reported in August 2018 states the strategic risk register reflects ownership of, and responsibility for, risk at an appropriately senior management and cabinet level. The report made a proposal for improvement to re-frame the strategic risk register, to enable a SMART-er approach to measuring impact of actions taken in mitigation of identified risk. The format of the strategic risk register has been updated to include timescales and responsibility holders for each mitigating action and includes an update on the progress and impact of implementing each action identified.</p> <p>An internal audit report on the Council's strategic risk management arrangements identified a number of areas for improvement; work has continued to address these. A refresh of the Council's strategic risk management policy and guidance has been completed. The refresh took account of the feedback from the Internal Audit report. An action plan to address any remaining areas for improvement from the internal audit report on the Council's strategic risk management arrangements continues to be updated and reviewed.</p> <p>Risk assessment is a key principle of service business planning. The appraisal of service business plans shows that risk assessments in plans remains an area that is particularly identified for improvement to strengthen the capture and management of risks facing services.</p> <p>In line with the Well-being of Future Generations Act, identification and mitigation of longer-term risks that will impact on future generations at community level, but will have a lesser impact on the medium term delivery of council services is an area for continued development. Through working with the Public Service Board we are developing our understanding of future risks and opportunities and how we respond to them in</p>

	Monmouthshire.
Key Future Actions	Continue implementation of the action plan to improve risk management arrangements in response to the findings from Internal Audit.
	Support services to implement feedback from the appraisal of 2019/22 business plans to strengthen the quality of planning.
	Ensure risk management arrangements, identify and mitigate, as appropriate, longer-term risks that will impact on future generations at community level, in line with the Well-being of Future Generations Act.

Self-Evaluation	
Purpose:	Self-evaluation allows us to appraise what we have done, assess what went well, learn from what didn't and plan future activity informed by what we did and the impact made.
Evaluation Score:	Level 3 – adequate
Position October 2019	<p>Over the last few years there has been a focus on improving self-evaluation arrangements by continuing to embed self-evaluation within the council's existing arrangements and implementing specific programmes of work and aligning these more closely with the budget setting process.</p> <p>The first annual report on progress and performance in 2018/19 on the Corporate Plan was presented to Council in September 2019 and outlined the progress made to achieve the goals identified in the plan. This report is intended to meet the requirements of the local government measure of publishing an assessment of performance by 31 October 2019, whilst meeting the Well-being of Future Generations Act requirement of reporting performance before 31 March. Wales Audit Office have issued a certificate of compliance for audit of Monmouthshire County Council's assessment of 2018-19 performance.</p> <p>The report also evaluates the progress made in line with the nine expectations set out by the Future Generations Commissioner, in the 'Well-being in Wales: The journey so far' report published in May 2018. The annual report is supplemented with a six-monthly report to Cabinet to ensure ongoing monitoring of progress.</p> <p>The statutory guidance for the Well-being of Future Generations Act states that public bodies need to demonstrate their well-being objectives are contributing to the achievement of the well-being goals; all reasonable steps are being taken to meet the well-being objectives; and well-being objectives are consistent with the sustainable development principle. To ensure continued efforts to meet the requirements of the Act, we have completed a self-reflection tool provided by the Future Generations Commissioner.</p> <p>The tool supported us to assess our progress to date in meeting the requirements of the Act, how we are embedding these in our corporate plan goals (also our well-being objectives) and to identify further progress we can make to embed the principles of the Act. We identified our objectives were making good progress, and assessed that generally we are where we expected to be, whilst recognising that with some objectives the stage reached, or the impact made, has varied. We recognised that over short timescales, it is not always possible to demonstrate progress with longer term and complex changes, and there are factors not always directly in the Council's control to change.</p> <p>The Future Generations Commissioner provided feedback on our self-reflection, and identified ways in which we were progressing well, and areas where could strengthen our contribution to the Act. The feedback provided a helpful perspective and insight on our work to date, and facilitated shared learning with other organisations who have responsibilities under the act. This information has already been utilised to improve</p>

	<p>our arrangements through integration into the Corporate Plan Annual Report 2018/19. The feedback will continue to be used throughout the performance planning framework to improve our contribution to the well-being objectives, as and when appropriate. Some of the feedback may take longer to embed and the impact may not be recognised immediately; we continue to work to strengthen the application of the act in our work.</p> <p>A key principle of Service Business Planning is evaluation. Each service completes an evaluation of service performance annually in their business plan to evaluate impact made and to inform future actions. Managers update Service Business Plans quarterly; this includes evaluating the progress and impact of actions, performance measures and risks. The service business plan appraisal identified that evaluations are mostly comprehensively completed, although the use of data to support them could be improved.</p>
<p>Key Future Actions</p>	<p>Apply the Future Generation’s Commissioner’s feedback from the self-reflection tool in the council’s arrangements.</p>
	<p>Continue to produce an annual report on the continued effectiveness of the council’s strategic planning framework</p>
	<p>Support services to implement feedback from the appraisal of 2019/22 business plans to strengthen the quality of planning.</p>

Appendix 2 - Assessing the effectiveness of decision – making and policy making

	Decision Making & Policy Making
Purpose:	Decision making and policy making is an important part of our governance arrangements and is about how we ensure we are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. Good governance is essential for the effective use of public money and the continued delivery of efficient and effective public services. The scrutiny process is an integral part of this and ensures openness, transparency and accountability in the council’s decision-making.
Evaluation Score:	Level 3 – Adequate
Position October 2019	<p>The council’s 2018/19 Annual Governance Statement demonstrates that Monmouthshire has governance arrangements in place to meet the challenges of the governance principles and that a review has been undertaken to assess the effectiveness of those arrangements. We have demonstrated that in most areas, we have effective governance arrangements in place which are continually improving, but also recognise that there is further work to do with areas for improvement identified.</p> <p>An updated report writing template and guidance note for reports to members has been developed and implemented. A new process has been introduced to ensure more timely and complete forward planners. A monthly members bulletin highlighting forthcoming key decisions and significant issues under scrutiny was introduced with limited success and will continue to evolve. A new section on evaluation was incorporated into reports and Democratic Services Committee has endorsed a process to ensure effective oversight of the evaluation of decisions working with Audit Committee and Chairs of Select Committees, although this has yet to be fully implemented.</p> <p>The Democratic Services Committee working group has been exploring proposals to increase public involvement in scrutiny and therefore inform service change proposals put to Cabinet and Council. Scrutiny capacity has been bolstered to provide some of the capacity needed to work in new ways and improvements to the robustness of forward planners will help councillors prioritise the issues where public involvement can add the greatest value.</p> <p>A Wales Audit Office ‘Overview and Scrutiny: Fit for the Future?’ report completed in August 2018, concluded Monmouthshire County Council is continually developing its scrutiny function and is aware of future challenges, but support arrangements for the Public Service Board scrutiny committee need to be strengthened.</p> <p>The council’s scrutiny committees undertake a wide range of scrutiny of council business from ongoing work programmed items, such as Revenue and Capital Financial monitoring and performance monitoring, to specific policy development/review.</p>

	<p>In place of scrutiny Task and Finish Groups, a scrutiny workshop approach has been established to ensure 'value added scrutiny' that delivers timely outcomes. The workshops provide a timely and effective method of engaging members in shaping the future strategic direction, and help the council to respond more promptly and dynamically to challenges posed.</p> <p>The Public Service Board Select Committee has agreed to a change in title and terms of reference of the committee, which will it to scrutinise wider public service provision and where powers allow, to provide greater accountability of services delivered in collaboration or by external partners. The changes will provide enhanced governance arrangements for services delivered to Monmouthshire citizens.</p>
<p>Key Future Actions</p>	<p>Implement training on the revised report writing template and guidance.</p> <p>Implement the process for the evaluation of decisions made by Council and Cabinet</p> <p>Continue to produce an annual report on the continued effectiveness of the council's strategic planning framework</p>

Performance Management Framework

Our performance management framework makes sure that everyone is pulling in the same direction to deliver real and tangible outcomes.

Building sustainable and resilient communities is the unifying purpose of the diverse range of services for which we are responsible. We are a partner in the Public Service Board, which is responsible for setting well-being objectives for the county. The council’s own well-being objectives are set by the Council based on the same well-being assessment as the PSB objectives and, form the backbone of our Five Organisational Goals in the corporate plan. Each of our teams has a business plan that aligns to these objectives. We have a range of performance measures that we use to keep track of our progress. Our risk management policy enables us to manage strategic risks to our delivery. Our employee aims and objectives show the contributions that individual colleagues make to these objectives and delivering our vision in accordance with our values.

