

<b>SUBJECT: Overview of Performance Management Arrangements</b>
<b>MEETING: Audit Committee</b>
<b>DATE: 23<sup>rd</sup> November 2017</b>
<b>DIVISIONS/WARDS AFFECTED: All</b>

**1 PURPOSE**

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

**2 RECOMMENDATIONS:**

- 2.1 Members familiarise themselves with the council's performance framework to ensure that they understand the parts of the system that must work together to deliver improvement.
- 2.2 That members use the update provided to seek assurance on 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 at appendix 2. Further information on the council's performance framework is available on The Hub.
- 3.2 Our performance framework:
  - Translates our purpose into a series of well-being objectives that are our focus for improving well-being in the county.
  - Places an expectation on teams to translate these into specific, measurable actions in their service plans.
  - Contains a broad range of data to monitor impact and measure the performance of services.
  - Requires employees to receive regular appraisal to demonstrate how they are contributing to the objectives
  - There are some other key processes that are part of and/or facilitate aspects of the framework, including the Whole Authority Strategic Risk Assessment and self-evaluation arrangements.
- 3.3 Over the coming years the shape of public services in Wales is likely to change significantly influenced by two very significant pieces of Welsh legislation, The Well-being of Future Generations Act and The Social Services and Well-being Act, as well as financial pressures, demographic changes, changes in customer needs and expectations and regulatory and policy changes. Services need to continue to think more about the long-term, work better with people and communities, look to prevent problems before they arise and take a more joined-up approach.

- 3.4 The Council's performance framework will need to continue to evolve to reflect this. A recent revision has been the requirement to produce the council's well-being objectives and statement as required by the Future Generations Act. This is available on [www.monmouthshire.gov.uk/improvement](http://www.monmouthshire.gov.uk/improvement). The development of a Corporate Plan and subsequent supporting strategies as agreed by Cabinet in October will also be reflected in the framework.
- 3.5 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 on performance management arrangements in December 2016.
- 3.6 We also place reliance on regulatory assessments as a vital part of our framework. In particular these are: the Wales Audit Office (WAO) who examine the authority's corporate arrangements; Estyn in relation to education provision and the Care and Social Services Inspectorate for 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 reports produced by our regulators throughout the year, which include any further areas of the council's arrangements where it is considered the authority needs to take action in response. The reports relevant to the WAO performance audit work programme are consolidated within the Proposal for Improvement updates provided to the committee.
- 3.8 As part of the framework for the development of a Corporate Plan and enabling strategies agreed by Cabinet in October 2017, Cabinet agreed an annual report 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 will be prepared and received by Audit 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.

#### **5. AUTHORS:**

Richard Jones, Policy and Performance Officer

#### **6. CONTACT DETAILS:**

e-mail: [richardjones@monmouthshire.gov.uk](mailto:richardjones@monmouthshire.gov.uk)

Telephone: 01633 740733/ Mobile: 078 2355 3480

## Appendix 1 - appraisal of performance management arrangements

	Improvement Plan
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"> <li>• Set and publish well-being objectives by 31st March 2017</li> <li>• Take all reasonable steps to meet those objectives</li> <li>• Publish a statement about well-being objectives</li> <li>• Detail arrangements to publish an annual report of progress</li> </ul> <p>The Council is still required under the Local Government (Wales) Measure 2009 to set annual Improvement Objectives and produce an Improvement Plan. 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 November 2017	<p>Following discussions with regulators and the WLGA it was deemed sensible to combine the two requirements to produce well-being objectives and set annual improvement objectives in a single set of clear objectives. The Council's Well-being Objectives and Statement were published in March 2017 and brought together the latest evidence from the draft well-being assessment, policy and legislation to set out how we will strive to deliver a public service that meets the needs of the present without compromising the ability of future generations to meet their own needs. The objectives are:</p> <p>In order to meet the legislative requirement of approving and publishing the Well-being Objectives by 31st March 2017, further details on actions that will be taken to deliver the objectives and metrics to evaluate progress were still being developed to follow the Council elections in May 2017. The detail on the steps that are proposed to deliver the objectives and metrics to evaluate progress are being developed as part of a new Corporate Plan for the council, which will presented to Cabinet and subsequently to Council. Following the publication of the Well-being Objectives, Wales Audit Office issued a certificate of compliance to confirm that the council has discharged its duties to prepare and publish an Improvement Plan in accordance with statutory requirements.</p> <p>The impact of these arrangements and progress made on the well-being objectives will be determined when the annual report of progress is produced in 2018.</p>

	<p>2016/17 was the last year we produced an Improvement Plan. The final plan reviewing performance in 2016/17 was published in October 2017. The Wales Audit Office have issued a certificate of compliance stating the council has discharged its improvement reporting duties through this plan. The evaluation identifies areas where we are performing well and areas that still require improvement that will inform our future plans. Based on the performance achieved and impact made three Improvement Objectives were scored as “level 4 – good”:</p> <p>Objective 1 - We will improve at all key stages of education  Objective 2 - We will safeguard people, whether young or old, while reducing peoples dependence on social care  Objective 4 - Maintaining locally accessible services</p> <p>Two objectives were scored as “level 3 – adequate”:</p> <p>Objective 3 - We want to enable our county to thrive  Objective 5 - We want to be an efficient, effective and sustainable organisation</p>
Key future actions	<p>Develop a whole-authority strategic plan or ‘Corporate Plan’ which will contain the Medium Term Financial Plan.</p> <p>Detail the steps that are proposed to deliver the well-being objectives and identify metrics to evaluate progress.</p>

### Service Plans

<b>Purpose:</b>	Each service sets a Service Plan (also called business plan) annually. Service planning and regularly evaluating our performance is fundamental to how we operate and allows services to plan for the future, assess what went well, learn from what didn't and assess 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 actions the service will be undertaking, performance measures of the service across four key quadrants of staff; finance; processes and outcomes and the management of risks facing the service.
<b>Evaluation Score:</b>	Level 4 - Good
<b>Position November 2017</b>	<p>Service planning is based on principles that services must comply with in their plans, the principles are based on five key areas: Evaluate, Link, Action, Data and Risk. The principles were revised as part of the 2017/18 planning process including reemphasising the importance of incorporating responsibilities under the Well-being of Future Generations Act and giving consideration to the design principles of Future Monmouthshire, as well as reflecting feedback from the previous year's process.</p> <p>The plans are corporately appraised by the Policy and Performance team and feedback and assistance is provided to services, where required or requested, to improve the quality of plan. The plans are available on The Hub and are accessible to all officers and members providing increased transparency of progress and clear alignment for teams to the vision and strategic direction of the organisation. Performance against the service plans is assessed quarterly by services. The majority of plans continue to provide clarity and focus of the service's activity, although there remains variability in the overall quality of some plans. The timeliness of completing plans and quarterly updates is an area that continues to require improvement to ensure timely evaluation of progress and performance.</p> <p>Previous proposals for improvement from Wales Audit Office have continued to be addressed including a requirement to set out clearly the financial implications of the council's service changes within service improvement plans, which has been reinforced through services being required to incorporate the plans to deliver future financial savings within service plans to monitor the progress and impact of these.</p> <p>In October 2017 Cabinet approved the framework, which is in line with design principles of Future Monmouthshire, for the development of a whole authority 'Corporate Plan', which will frame and contain the MTFP and inform and shape a whole set of enabling and delivery plans around People; Digital and Customers, Assets and Commercial; Social Justice and Well-being and Enterprise and Economic Development. The service planning arrangements of the council will be reviewed to align to the corporate plan and support its delivery.</p>
<b>Key future actions</b>	Review the council's service planning arrangements to support the delivery of the corporate plan and enabling plans.

**Performance data and information**

<b>Purpose:</b>	<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>
<b>Evaluation Score:</b>	Level 4 – Good
<b>Position November 2017</b>	<p>The data quality process continues to be strengthened and was amended in 2017 to take account of previous audit feedback and allocate Internal Audit time to examine the systems producing the data as well as the data outputs.</p> <p>Internal guidance notes on completing national and local performance indicators are produced setting clear requirements for data compilers, these were updated and used to inform the submission of national performance data for 2016/17. There is continued support from the Policy and Performance team with a specific and clearly defined role for Internal Audit to quality assure data. In 2016 the audit of nationally and locally set indicators was given an internal audit control rating of “Considerable Assurance”. In April 2017, Wales Audit Office conducted a follow up review of 2015-16 published data which concluded “Data quality arrangements continue to improve and arrangements could be strengthened further by correctly applying the national PI definitions”. Within this there remain recommendations from the internal audit reports that require further attention to ensure processes are improved to meet internal and external audit requirements.</p> <p>There is a continued focus to improve the council’s use of data to inform decision making and evaluation, particularly for new policies or initiatives. This has also been identified in previous Wales Audit Office reviews most recently in the <i>Good Governance when Determining Significant Service Changes</i> review published in March 2017. It is recognised that there is also a particular risk to data quality, including target setting, when developing new performance data measures that may not have been subject to data quality processes previously. These areas will also be particularly targeted for policy and performance team support.</p> <p>The methodology as part of the corporate plan framework includes the requirement that clear criteria is set to allow strategies to be evaluated and ensure public accountability and organisational learning. A data network has been established to ensure the organisation makes the best possible use of the information it holds. The purpose of the network is to develop a more comprehensive understanding of</p>

the authority's data assets, share experiences about good practice, identify future opportunities and help our colleagues turn data into actionable knowledge.

The shift in focus in the Future Generations Act means that activities will need to be increasingly focused on longer term challenges at a community level. When dealing with more complex societal challenges it will take longer for measurable change to come about and longer still to be able to evidence those changes in a meaningful way. This means the way we measure and evaluate our performance will need to evolve to still allow us to evaluate the efficiency and effectiveness of current service delivery while also track progress against longer term community well-being objectives. Developing the right metrics of community well-being is a continuing process, to do this we continue to work with our Public Service Board partners at a local level as well as across the Gwent area.

Recognising the framework being implemented to develop the corporate plan and increasing need to evaluate long term community well-being the authority-wide performance measurement system for the council the "data hub" needs to be reviewed to ensure the information is up to date, focussed on the right performance data and maximises the potential from automated updates, for example from open data feeds.

**Key future actions**

Continue to strengthen the data quality process using external and internal audit feedback and liaise with Internal Audit to allocate their time to identified risks in data quality arrangements.

Ensuring that clear criteria are set to allow strategies to be evaluated and ensure public accountability and organisational learning.

Review the effectiveness and design of the data hub to maximise the potential from current technology and ensure content reflects the Council's latest plan.

**Staff Appraisal (Check-In, Check-Out)**

<b>Purpose:</b>	Appraisal enables all staff to know 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, recognise and feedback on poor performance and recognise those people who deliver good performance.
<b>Evaluation Score:</b>	Level 3 – Adequate
<b>Position November 2017</b>	<p>The employee performance framework, “Check-In, Check-Out” provides a value-based performance assessment approach between staff and line managers. Based on feedback received, the Check-in, Check-out (CICO) process has been reviewed and rolled out with more robust guidance, video tutorials and supportive training. Work will continue increase understanding and maximise completion of the process.</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”</p> <p>It was recognised that CICO completion rates are likely to be higher than previously reported as the system was not capturing all data in the most effective way. Recognising this, work has been completed to develop a longer term more effective recording module that allows managers to record the CICO directly into an employee’s record on the human resources system. Work continues with managers to ensure effective use of the recording system. The People Services annual report highlights the redesign of the performance appraisal has enabled the Talent Lab to design specific supporting material and activities to meet learning and development needs identified.</p>
<b>Key future actions</b>	<p>Continue to roll out, increase understanding and maximise completion of the check-in, check-out process.</p> <p>Ensure the effectiveness of systems to capture the number of staff receiving a regular CICO</p>



## Strategic Risk Assessment

Purpose:	<p>The 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"> <li>• Strategic risks are identified and monitored by the authority.</li> <li>• Risk controls are appropriate and proportionate</li> <li>• Senior managers and elected members systematically review the strategic risks facing the authority.</li> </ul> <p>The risk assessment is a living document and will evolve as new information comes to light. It is on the hub for select committees to use throughout the year, it is also specifically reported to select committees annually and signed off by Cabinet once a year as an accurate record of the risks facing the organisation.</p>
Evaluation Score:	Level 3 – Adequate
Position November 2017	<p>The risk assessment is prepared by drawing on a wide range of evidence including service plans, performance measures, regulatory reports, progress on the previous risk assessment and the views of select committees. It was also prepared in line with changes to the council’s risk management policy that were approved by Cabinet in March 2015. The pre and post mitigation risk levels are presented separately. In most cases mitigating actions result in a change to the likelihood of the risk rather than the consequences as our actions are generally aimed at reducing the chance of a negative event occurring rather than lessening it’s impact. Clearly there will be exceptions.</p> <p>Select Committees scrutinise and help shape the content of the risk assessment annually, the most recent scrutiny was at meetings between December 2016 and January 2017. The risk assessment is also reported to audit committee to provide an overview of the strategic risk assessment process.</p> <p>The risk assessment is updated as new information comes to light as part of the council’s performance management arrangements. 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>Lower level strategic risks are managed and monitored through teams’ service improvement plans. The risk assessment remains an area in service plans that is often particularly identified for improvement to strengthen the capture and management of risks facing services.</p>

	<p>The Wales Audit Office Corporate Assessment follow-on review on Information Technology published in October 2016 identified that the strategic risk assessment clearly includes the expected elements of a risk register, such as mitigating factors, future actions, and risk owners at officer and member level. The report also proposes risk management arrangements are reviewed to assure that risks are managed consistently across directorates and identify and address risks in a timely and appropriate way.</p> <p>Part of the process surrounding building the Corporate Plan framework, as presented to cabinet in October 2017, will be ensuring that related policies and toolkits are reviewed and brought in line with renewed purpose, priorities and ambitions in the plan. This will include reviewing the strategic risk assessment to ensure strategic risks related to the direction and resources set out in the plan are identified and managed. Risk management arrangements also still need to be reviewed to ensure they are in line with requirements in the Well-being of Future Generations Act. This will also be informed by the findings of a recent internal audit review of the council’s risk management arrangements, carried out in 2017, to ensure any recommendations from the review are holistically addressed.</p>
Key Future Actions	Risk management arrangements will be reviewed to ensure they are in line with the corporate plan framework, requirements in the Well-being of Future Generations Act and findings from Internal Audit.

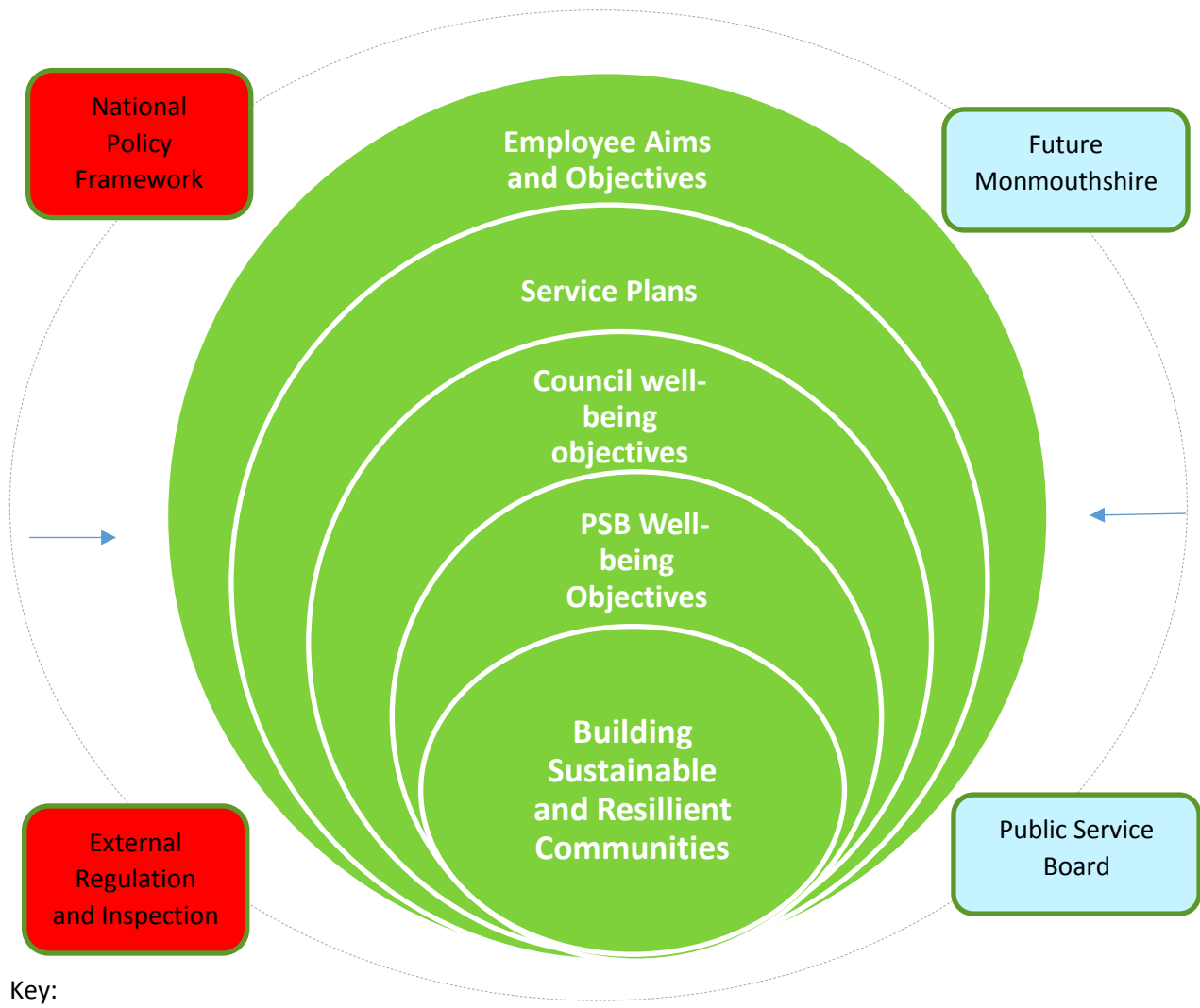
Self-Evaluation	
<b>Purpose:</b>	Self-evaluation allows us to appraise what we have done and; assess what went well, learn from what didn't and plan future activity informed by what we did and the impact made.
<b>Evaluation Score:</b>	Level 3 – Adequate
<b>Position November 2017</b>	<p>Over the last few years there has been a considered focus on strengthening self-evaluation arrangements. Following the completion of a programme of Heads of Service challenge sessions there has been a dual focus in improving self-evaluation arrangements.</p> <p>Firstly work has continued to embed the self-evaluation within the council's existing arrangements this includes:</p> <ul style="list-style-type: none"> <li>• The council evaluated its performance in 2016/17 in the Stage 2 Improvement Plan published in October 2017. The Wales Audit Office have issued a certificate of compliance stating the council has discharged its improvement reporting duties through this.</li> <li>• Each services' Service Improvement Plan requires an evaluation of service performance to be completed annually to assess impact made and inform future actions. The service plan appraisals identified some areas could strengthen the use of data to inform the evaluation in their plans.</li> <li>• An evaluation assessment has recently been established for consideration when completing all decision making reports. This aims to support the identification of evaluation criteria and timescales for decisions being made by the Council.</li> </ul> <p>Secondly, the current focus is on using learning from the Head of Service challenges undertaken to implement future strategic challenge programmes as part of the Future Monmouthshire programme of work and aligning these more closely with the budget setting process:</p> <ul style="list-style-type: none"> <li>• As a fundamental part of Future Monmouthshire the budget setting process for 2018/19 has continued to evolve the requirements for the use of data and evidence to inform and evaluate proposals being developed.</li> <li>• The methodology as part of the corporate plan framework, which is aligned to the principles of the Future Monmouthshire programme, includes the requirement that clear criteria is set to allow strategies to be evaluated and ensure public accountability and organisational learning, while the shift in focus in the Future Generations Act means the way we evaluate our performance will need to evolve to track progress against longer term community well-being objectives. Embedding measurement and evaluation in the 'Corporate Plan', which will frame and contain the MTFP and inform and shape a whole set of enabling and delivery plans will be a particular focus over the next few months.</li> </ul>

	<ul style="list-style-type: none"> <li>• Cabinet also agreed to commission 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.</li> </ul>
<b>Key Future Actions</b>	Implement strategic challenge programmes as part of the Future Monmouthshire programme of work
	Produce an annual report on the continued effectiveness of the council's strategic planning framework and report to Audit Committee,
	Embed evaluation criteria and arrangements in the Corporate Plan




Appendix 2

# Our Performance Framework

In Monmouthshire it's even more than the place, it's the people. Not just those on the council's payroll but all of the people who work with us in delivering services and achieving value for money. Our Performance Framework makes sure that everyone is pulling in the same direction to deliver real and tangible outcomes.



Key:

-  Performance Framework
-  Improvement Activity
-  External Influences

## Building Sustainable and Resilient Communities



We want to enable the building of sustainable and resilient communities that support the well-being of current and future generations.

This purpose is at the heart of everything we do to improve the economic, social, environmental and cultural well-being of Monmouthshire. We will consider sustainable development in how we plan and deliver our well-being objectives and contribute to the achievement of the seven national well-being goals for Wales.

## PSB Well-being Objectives



The Well-being of Future Generations Act also puts a well-being duty on specified public bodies to act jointly via Public Service Boards (PSB) to improve the economic, social, environmental and cultural well-being of their area by contributing to the achievement of the well-being goals.

We are a partner in the PSB. The PSB has produced a Well-being Assessment for Monmouthshire and in 2018 will publish a well-being plan, including objectives for the county, which we will contribute to.

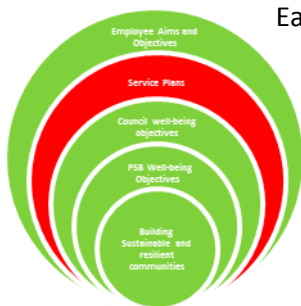
## Council well-being objectives



The Well-being of Future Generations Act requires the council to set and publish well-being objectives and a statement, take all reasonable steps to meet those objectives and make arrangements to publish an annual report of progress.

The well-being objectives bring together the latest evidence from the well-being assessment, policy and legislation to set out how we will deliver a public service that meets the needs of the present without compromising the ability of future generations to meet their own needs.

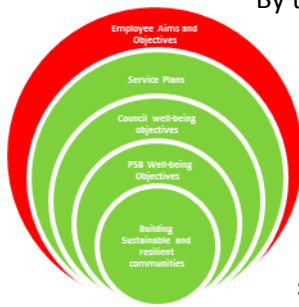
## Service Plans



Each of our teams has a service plan that aligns to the objectives we are striving to achieve. This describes what they are doing to deliver the outcomes of the council, contains measures that can be used to assess progress and whether people are better off because of our work and identifies and manages risks facing the service.

All our Service Plans are available on the council's Intranet, the hub.

## Employee aims and objectives



By their very nature, service and business plans contain standard measures and targets relating to employee performance. The responsibility for delivery of the plans and improvements rests with all employees. Our employee aims and objectives show the contributions that individual colleagues make to these objectives and delivering the organisations vision in accordance with our values.

We must involve and empower all employees to be the best they can be so that they can think differently and develop solutions to problems; and sustain 21st century public services.