

SUBJECT: Overview of Performance Management Arrangements
MEETING: Audit Committee
DATE: 8th November 2018
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 at 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 is based on the same well-being assessment as the Public Service Board objectives, and form the backbone of our five organisational 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 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 The council's performance framework needs to continue to evolve to reflect adapt 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 on performance management arrangements in November 2017.

- 3.5 Cabinet also agreed as part of the corporate plan commitment for 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. 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 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 in response. The conclusion of these reports is consolidated within the six monthly proposal 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 2018	<p>The council's Corporate Plan 2017-2022, approved in February 2018, sets out the Council's five organisational goals, which also incorporates 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>This plan met the Council's statutory requirements under the Well-being of Future Generations Act and local government measure. 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 progress and performance made on the corporate plan will be evaluated when the annual report of progress is produced in 2019.</p> <p>In March 2017, full Council set Monmouthshire County Council's well-being objectives for 2017/18. The Well-being Objectives and Statement – Annual Report 2017/18, published in October 2018, reports back on the progress we made in 2017/18 against the objectives set in March 2017. Based on the performance achieved and impact made, all four Objectives set for 2017/18 were scored against the Council's self-evaluation framework as "level 4 – good".</p>
Key future actions	Produce an annual report evaluating the council's performance in 2018/19 against the corporate plan and wider arrangements

Service Plans

Purpose:	Each service sets a Service Business Plan for a three year period (currently 2018-2021). Service Business 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 and the management of risks facing the service.
Evaluation Score:	Level 3 - Adequate
Position October 2018	<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 has been reviewed and a revised process established. The Service Business Planning (SBP) process ensures services plan for the present and the future. There are a number of dependent factors that allow a service to run efficiently and effectively, all of which need to be taken into account, including the Council's refreshed enabling strategies - Digital, People, Asset Management, Procurement and Commercial.</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. The principles were revised as part of the 2018/21 planning process including reemphasising the importance of incorporating responsibilities under the Well-being of Future Generations Act, aligning to the delivery of the Corporate Plan and giving consideration to the design principles of Future Monmouthshire.</p> <p>The plans are available on The Hub and are accessible to all officers and members providing increased transparency and challenge, by managers, leaders and cabinet members, of progress and clear alignment to the vision and strategic direction of the organisation. Performance against the plans is assessed quarterly by services. Plans are corporately appraised by the Policy and Performance team against the principles and feedback and assistance is provided to services, where required or requested, to improve the quality of plan.</p> <p>Previous proposals for improvement from Wales Audit Office have continued to be addressed including aligning the Council's service business planning process to deliver the corporate plan.</p> <p>The WAO Whole Authority review of children's safeguarding, which was reported in August 2018, reviewed Service Improvement Plans in place for 2017/18 and identified a number of issues including not being sufficiently SMART and being variable in quality and content. The principles of service business planning have been revised since the review and new plans for 2018/2021 have been established, our own appraisal of these plans demonstrates that there remains variability in the overall quality and completeness of some plans and the timeliness of updating plans is not always adequate. Feedback and assistance is being provided to services, where required, to strengthen their planning.</p>
Key future actions	Support services to implement feedback from the appraisal of 2018/21 business plans to strengthen the quality of planning.

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:	Level 4 – Good
Position October 2018	<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 2017 the internal audit of nationally and locally set indicators was given a control rating of “Considerable Assurance”. 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>The shift in focus through the Future Generations Act means activity is increasingly focused on longer term challenges at a community level to improve well-being. It isn’t always easy to measure progress quarterly or annually in a single number to evaluate progress against some of these issues. This means the way we measure and evaluate our performance will need to continue 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.</p> <p>The Council’s Corporate Plan contains five specific objectives, which are also the Council well-being objectives, and sets out a range of measures that will be used to inform evaluations of progress. Developing the right metrics of community well-being is a continuing process, 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>It is recognised that there is a particular difficulty in developing performance data, measures, targets and risks to data quality when setting up new policies, initiatives or arrangements. These areas will be continue to be targeted for performance team support.</p> <p>The performance measurement system for the council the “data hub” is being reviewed and streamlined to ensure the information is up to date and focussed on the most pertinent performance data, particularly measures set in the Corporate Plan. Opportunities to further develop this to maximise the potential from things such as automated updates, for example from open data feeds, and better data visualisation continue to be explored.</p> <p>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</p>

Strategic Risk Assessment	
Purpose:	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: <ul style="list-style-type: none"> Strategic risks are identified and monitored by the authority.
	and use of open data to increase accountability and revise performance and improvement plans and replace with 'real-time' data dashboards. 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.
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: Development and updates of the Data Hub and developing the Council's use of open data.

Staff Appraisal (Check-In, Check-Out)	
Purpose:	Appraisals enable 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.
Evaluation Score:	Level 3 – Adequate
Position October 2018	<p>The employee performance framework, "Check-In, Check-Out" provides a value-based performance assessment approach between staff and line managers.</p> <p>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.</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, a longer term more effective recording module has been developed that allows managers to record the completed CICO directly into the MY VIEW system.</p> <p>There still remains further work required to ensure the effective use of the recording system to understand accurately the completion rate of appraisals before the proposal can be considered as being addressed. A further emphasis has been placed on this as part of quarter 2 reporting in 2018/19. A new approach to capturing completion rates using email functionality has been trialled and this will be followed up in quarter 3.</p>
Key future actions	Increase understanding and use of the check-in, check-out recording process

	<ul style="list-style-type: none"> • Risk controls are appropriate and proportionate • Senior managers and elected members systematically review the strategic risks facing the authority. <p>The risk assessment 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 audit committee 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 October 2018	<p>The risk assessment is prepared, in line with the Council’s 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 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>The latest risk register has been reviewed to ensure it includes risks to the delivery of the recently approved Corporate Plan. The Corporate Plan 2017/2022 includes a specific section on strategic risk management including risk appetite - innovation & risk tolerance.</p> <p>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. 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.</p> <p>An internal audit report on the Council’s strategic risk management arrangements identified a number of areas for improvement. An action plan has been agreed with internal audit to deliver the improvements required, some of these have been considered in the latest iteration of the strategic risk register.</p> <p>Lower level strategic risks are managed and monitored through teams’ service business plans, risk management is one of the principles of services business planning. The format of the strategic risk register in business plans has also been revised to align with changes to the strategic risk register. The appraisal of 2018/21 plans demonstrates that 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>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</p>

	development
Key Future Actions	Implement 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 2018/21 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 and; 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 2018	<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 on improving self-evaluation arrangements by working to continue to embed the self-evaluation within the council's existing arrangements and implementing programmes as part of the Future Monmouthshire programme of work and aligning these more closely with the budget setting process.</p> <p>Work has included: Publication of the Well-being Objectives and Statement – Annual Report 2017/18. This report is intended to meet the requirements of the local government measure of publishing an assessment of performance by 31 October 2018, whilst meeting the Well-being of Future Generations Act requirement of reporting performance before 31 March. The plan describes progress with our four well-being objectives, all four of the objectives have been evaluated as making good progress. 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.</p> <p>Each service's Service Business 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.</p> <p>Further improvements to the report writing process and guidance for reports to members is being made. This includes an evaluation section to state how the decision will be evaluated. An arrangement that provides assurance that evaluations are being completed and which gives decision-makers and select committees the opportunity to look at evaluation in more detail on a risk-based approach was presented to Democratic services committee in September 2018</p> <p>The Corporate Plan sets out clearly the council's purpose. It contains five specific objectives, which are also the Council well-being objectives, which can be measured over time using measures included in the plan. Specific medium-term targets will be reported to cabinet as part of six monthly reporting of progress against the corporate plan.</p> <p>Following approval of the corporate plan the Council's enabling strategies have been revised to align to the delivery of the corporate plan, these include the Digital Strategy, People Strategy and Asset Management Strategy. Clear principles were established for the plans to follow to ensure a more robust approach to</p>

	<p>development. These include a specific section on evaluation, performance measures and targets to evaluate performance.</p> <p>As a fundamental part of Future Monmouthshire the financial planning process continues to evolve the requirements for the use of data and evidence to inform and evaluate proposals being developed.</p> <p>The shift in focus through the Future Generations Act means activity is increasingly focused on longer term challenges at a community level to improve well-being. It isn't always easy to measure progress quarterly or annually in a single number to evaluate progress against some of these issues. This means the way we measure and evaluate our performance will need to continue 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.</p>
<p>Key Future Actions</p>	<p>Produce an annual report evaluating the council's performance in 2018/19 against the corporate plan and wider arrangements</p> <p>Continue to produce an annual report on the continued effectiveness of the council's strategic planning framework</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 2018	<p>The council’s Annual Governance Statement demonstrates that arrangements are in place to meet the challenges of the governance principles and that a review has been undertaken to assess the effectiveness of the arrangements. It is recognised that there is further work to do with areas for improvement identified.</p> <p>In March 2017 Wales Audit Office issued a report called ‘Good governance when determining significant service changes.’ One of the proposals it contained was ‘Setting out at the point of decision on service change proposals how the impact of proposed changes is going to be measured and monitored’ In September 2017 an evaluation section was added to the report template and the Democratic Services Committee has agreed an approach to processing these evaluations.</p> <p>Further refinements to the report template and guidance have been made but not yet implemented and will be supported with training for managers as part of the training pathway delivered through Talent Lab.</p> <p>The Democratic Services Committee have been engaged in work to improve the democratic character of the organisation and have made a number of recommendations which are being enacted including increasing public involvement and participation in decision-making and ensuring the earlier population of forward planners to enable better planning and prioritisation of pre-decision scrutiny.</p> <p>The council’s five select committees undertake a wide range of scrutiny of council business from ongoing work programmed items such as Revenue and Capital Financial monitoring to specific policy and programmes.</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>
Key Future Actions	<p>Implement the revised report writing process and guidance for reports to members.</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.

