

**SUBJECT: Overview of Performance Management Arrangements**

**MEETING: Audit Committee**

**DATE: 15<sup>th</sup> December 2016**

**DIVISIONS/WARDS AFFECTED: All**

## **1 PURPOSE**

- 1.1 To present an update on the effectiveness of the authority's performance management arrangements.

## **2 RECOMMENDATIONS:**

- 2.1 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:**

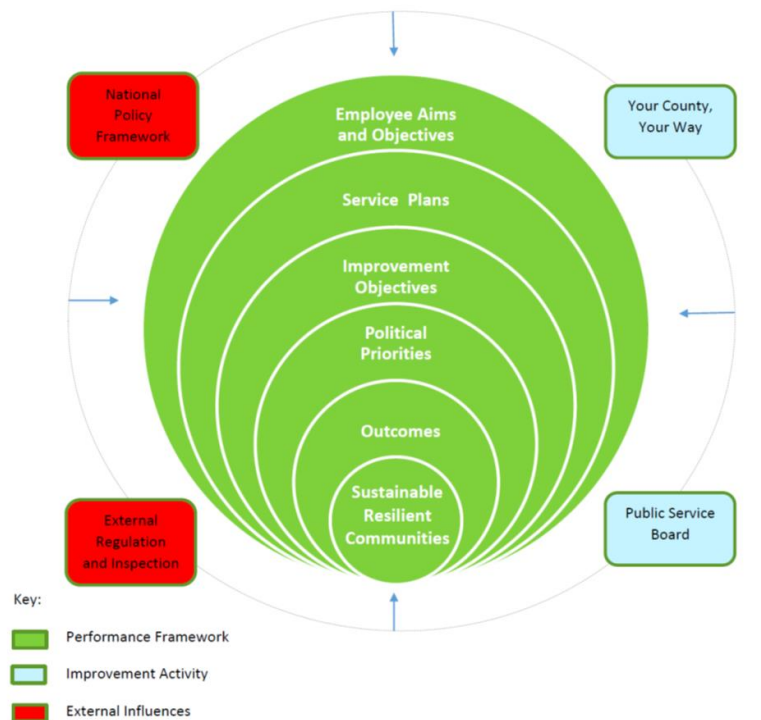
- 3.1 Performance Management is about establishing a shared understanding of what needs to be achieved and making sure that it happens. Our performance framework:

- translates political ambition into a series of Improvement Objectives
- 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

- 3.2 The main elements of the improvement framework are shown in the diagram on the following page. 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 our self-evaluation arrangements.

- 3.3 The framework makes sure that everyone is pulling in the same direction to deliver the vision and priorities of the organisation. This report provides an appraisal of the arrangements 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 2015.

- 3.4 We also place reliance on regulatory assessments as a vital part of our improvement 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.



3.5 Where applicable the most recent findings of regulatory work have been factored into the appraisal of arrangements. These include the *WAO Annual Improvement Report* published in August 2016 and the Estyn Monitoring visit in November 2015.

3.6 Audit Committee also receive other relevant reports produced by our regulators throughout the year, which include any areas where it is considered the authority needs to take action in response to the reports, these are consolidated within the WAO proposal for improvement updates 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.

#### 5. AUTHORS:

Matthew Gatehouse, Policy and Performance Manager  
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  
e-mail: [matthewgatehouse@monmoutshhire.gov.uk](mailto:matthewgatehouse@monmoutshhire.gov.uk)  
Telephone: 01633 644397/ Mobile 077 8555 6727

Improvement Plan	
Purpose:	Each year we publish two separate but complimentary improvement plans. The first (Stage 1) is published each May. It sets the Improvement Objectives that the council plans to deliver in the year ahead to improve services and work towards delivering the vision. The second (Stage 2) is published every October. It describes what we have done to deliver the Improvement objectives we set in the previous year and evaluates our performance for the year. Progress against the Objectives is reported six monthly to Select Committees.
Evaluation Score:	Level 5 – Very Good
Position October 2015	<p>The stage 1 Improvement Plan for 2016/17 was published in June 2016 and contained five objectives closely aligned to delivering the Council's priorities. The Improvement Objectives for 2016-17 are a continuation of five objectives set in May 2015.</p> <p>Some changes were made to the plan to reflect latest legislation, responses to feedback from the Wales Audit Office as well as our own learning. These are:</p> <ul style="list-style-type: none"> <li>• Explaining the structure of the objective so everyone understands why certain information is included.</li> <li>• Continuing to ensure clearer links between actions and measures with associated targets for improvement.</li> <li>• Embedding the Well-Being of Future Generations Act requirements in our planning, including considering how our activity contributes to the 7 wellbeing goals.</li> </ul> <p>Each action area has a clearly defined timescale and milestone/measure attached. This enables the Improvement Objectives to be scored (Level 1 – Unsatisfactory to Level 6 – Excellent) based on the criteria in the Council's Self-evaluation framework.</p> <p>The Wales Audit Office has recognised the Council has discharged its duties to prepare and publish an Improvement Plan in accordance with statutory requirements and issued the certificate of compliance for the 'Audit of Monmouthshire County Council's 2016-17 Improvement Plan'.</p> <p>The impact of these arrangements and progress made on the improvement objectives will be determined when the assessment of performance is completed at the end of 2016/17.</p> <p>The Stage 2 Plan assessing performance in 2015/16 was published in October 2016. The Wales Audit Office have issued a certificate of compliance stating the council has discharged its improvement reporting duties through the evaluation of performance in 2015/16 in the</p>

	<p>Stage 2 Plan. This evaluation identifies areas where we are performing well and areas that still require improvement that will inform our future plans for improvement.</p> <p>Based on the performance achieved and impact made four Improvement Objectives were scored as “level 4 – good”:</p> <ul style="list-style-type: none"> <li>• To improve at all key stages of education</li> <li>• To safeguard people, whether young or old, while reducing peoples dependence on social care</li> <li>• To enable the county to thrive</li> <li>• To maintain locally accessible services</li> </ul> <p>The fifth objective was scored as “level 3 – adequate”:</p> <ul style="list-style-type: none"> <li>• Being an efficient, effective and sustainable organisation</li> </ul> <p>This is likely to be the last year that we produce the Improvement Plan in this format. During 2016-2017 we will undertake an assessment of need and wellbeing within the County as a consequence of the Wellbeing of Future Generations Act and the Social Services and Wellbeing Act. The information that is gained during this work will provide a much deeper evidence base to inform the publication of the council’s well-being objectives by 31<sup>st</sup> March 2017.</p>
Key future actions	<p>Continue to improve outcomes measures to ensure we identify and adopt quality and robust metrics that measure what matters.</p> <p>Publish the council’s well-being objectives by 31<sup>st</sup> March 2017.</p>

## Service Plans

<b>Purpose:</b>	Each service sets a Service Improvement 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, 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 strategic and operational risks facing the service.
<b>Evaluation Score:</b>	Level 4 - Good
<b>Position October 2015</b>	<p>A strengthened service planning process was introduced in 2013. This established principles that services must comply with in their plans. The principles were further revised as part of the 2016/17 planning process including incorporating responsibilities, under the Well-being of Future Generations Act and for safeguarding and well-being, into them, as well as reflecting feedback from the previous year's process.</p> <p>The majority of plans continue to provide clarity and focus of the services activity, although there remains variability in the overall quality of some plans. The timeliness of completing plans and quarterly updates is an area that needs to improve.</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.</p> <p>At the start of 2016 Wales Audit Office completed a review of performance management arrangements following-on from the corporate assessment they completed in 2015. The report recognises the Council's approach to service planning and the completeness of plans used as part of the review. The review proposed we further strengthen the links between the Council's strategies and service plans and set out clearly the financial implications of the council's service changes within the plans.</p> <p>The Estyn Monitoring letter of January 2016 following the Monitoring visit in November 2015 identified:          "The CYP directorate has useful service improvement plans for each service area. The service area plans are suitably quality assured by senior officers. The plans follow a helpful, common template and bring appropriate consistency to the directorate's plans. The directorate's plans are more coherent and better focused than at the time of the inspection and this has helped to support improvements in, for example, the provision for additional learning needs, outcomes in schools and in the authority's youth service."</p>

**Key future actions**

Appraise Service Improvement Plans to further strengthen the quality of service planning and work with Directorate Management Teams to improve timeliness of reporting in some areas.

Implement actions identified in response to the Wales Audit Office proposals for improvement related to service planning.

**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 October 2015</b>	<p>The data quality process continues to be strengthened and was amended in 2016 to take account of previous audit feedback and to allocate Internal Audit time to focus on the systems collating data as well as the accuracy of the outputs of the data. Internal guidance notes on completing national and local performance indicators respectively, including internal audit briefs are produced setting clear requirements for data compilers. Continued support from the Policy and Performance team is provided to strengthen arrangements.</p> <p>The 2016 Wales Audit Office review of performance management arrangements acknowledges the action taken to improve the accuracy and quality of performance data although based on sample testing of 2014/15 data the report concluded these have not yet been fully effective.</p> <p>Since this review data quality audits were undertaken by Internal Audit on nationally set and published performance indicators and locally set and published indicators for 2015/16. The audit of nationally set indicators has been given a draft control rating of “Considerable assurance”. 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>It continues to be recognised that there is a particular challenge in developing performance data measures for new policies or initiatives, including risks to data quality and target setting. These areas will be particularly targeted for support. This is also identified in the Wales Audit Office 2016 review of performance management arrangements which sampled two recently approved strategies (the NEET Strategy and income generation strategy).</p> <p>We continue to use the authority-wide performance measurement system for the council we developed in 2014/15 the “data hub” which is hosted on the council’s intranet site. This also allows members and officers to track and monitor key performance data. A Cabinet level dashboard contains a number of key performance measures and is discussed quarterly by SLT and Cabinet. We need to continue to ensure the information on the hub is up to date, easily accessible and is fully utilised by those who need it. The Wales Audit Office review of performance management arrangements reiterates this need through a proposal for improvement to review the effectiveness of the data hub.</p>

<b>Key future actions</b>	Establish a network of officers who use data to ensure robust data is used to inform decision making.
	Continue to strengthen the data quality process using external and internal audit feedback and liaise with Internal Audit to allocate their time appropriately to identified risks in data quality arrangements.
	Review the effectiveness and design of the data hub.



### 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 October 2015</b>	<p>A new employee performance framework, “check in check out” was introduced in April 2014 and provides a value-based performance assessment approach between staff and line managers. Based on feedback received, the check in check out process has been reviewed and further developed with training sessions advertised via Talent Lab.</p> <p>The reviewed process will help ensure the final outcomes of the process are effective, all staff have the opportunity to undertake an appraisal and their personal objectives are focused on delivering the things that matter most to the people of Monmouthshire. As well as capturing the advice, support and training requirements that are identified which will feed into the wider organisational Training Needs Analysis. The people service annual report recognises that improvements in the process were required and steps have been taken to address these including implementing more robust guidance, video tutorials and supportive training.</p> <p>The WAO Annual Improvement Report in 2015 made a proposal for improvement on implementing these planned revisions and changes to the ‘Check In Check Out’ process. In 2016 the Wales Audit Office followed up on the progress made with Human Resources arrangements, including CICO, the report is due to be published in Winter 2016.</p> <p>100% of staff requiring an appraisal were targeted to complete an appraisal, in the first year take up of the new approach was 84%. This was in part due to a big push on promoting the approach from Senior Leadership. In 2015/16 reported data shows 54% of staff completed an appraisal, although the actual figure is likely to be higher than this due to the need to further develop the recording process and is therefore at present not capturing all data in the most effective way. Recognising this, work is underway to investigate the possibility of developing a longer term more effective recording module that would allow managers to record the CICO directly into an employee’s record on the Human Resources system. This would allow for all employee data to be stored in one place and enable direct access to reports from the system identifying completion rates, training needs (which would automatically be fed through to the training team) and track progress on any actions agreed. While this longer term work continues, a basic interim reporting system is in place at the current time to provide clear data on completion rates of appraisals in 2016/17.</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>Implement a new recording process to allow managers to complete accurate records on Check in, Check outs completed</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 over the course of the year as new information comes to light. While it is live on the hub for Select Committees to use throughout the year, it is also specifically reported to Select Committees annually in December/January 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 2015	<p>In March 2015, following scrutiny by Select Committee, Cabinet approved updates to strengthen the previously agreed strategic risk Management Policy.</p> <p>The 2016 risk assessment was 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 scrutinised and helped shape the content of the risk assessment at meetings between December 2015 and February 2016. The risk assessment is a living document and has been updated over the course of the year 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 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 reports also identifies that although corporate and project-specific risk registers exist, the Social Care and Health directorate risk register is still at an early stage of development and proposes we review risk management arrangements to assure risks are managed consistently across directorates and identify and address risks in a timely and appropriate way.</p>

	Lower level strategic risks are managed and monitored through teams' service improvement plans. While this process is already evaluated, the risk assessment in service's plans is often an area particularly identified for improvement to strengthen the capture and management of risks facing services.
Key Future Actions	Risk management arrangements will be reviewed to ensure they are in line with requirements in the well-being of future generations act

<b>Self-Evaluation</b>	
<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 4 – Good
<b>Position October 2015</b>	<p>Over the last few years there has been a considered focus on strengthening self-evaluation arrangements. As well as existing arrangements being improved a programme of Heads of service challenge sessions has been completed along with a corporate self-evaluation. Performance clinics have also been introduced on an exception basis as an intervention for high risk or long standing performance issues.</p> <p>The Estyn Monitoring letter of January 2016 following the Monitoring visit in November 2015 concludes: Self-evaluation processes have become more honest and accurate. Generally, officers have a clearer understanding of the strengths and areas for improvement within their service areas. Overall, they use this information more effectively to inform their planning. The letter also identifies some areas where analysis of data can improve.</p> <p>The council evaluated its performance in 2015/16 in the Stage 2 Improvement Plan published in October 2016. The Wales Audit Office have issued a certificate of compliance stating the council has discharged its improvement reporting duties through this.</p> <p>Each services Service Improvement Plan requires an evaluation of service performance to be completed annually to assess impact made and inform future actions.</p> <p>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, our responsibilities under the Well-being of Future Generations Act and other performance management processes. As a fundamental part of Future Monmouthshire the budget setting process for 2017/18 has been reviewed and refreshed this includes external and internal challenge processes.</p>
<b>Key Future Actions</b>	Implement strategic challenge programmes as part of the future Monmouthshire programme of work