

WIRRAL COUNCIL

CORPORATE GOVERNANCE COMMITTEE

8 FEBRUARY 2012

SUBJECT:	PERFORMANCE MANAGEMENT UPDATE
WARD/S AFFECTED:	ALL
REPORT OF:	CHIEF EXECUTIVE
RESPONSIBLE PORTFOLIO HOLDER:	CLLR ADRIAN JONES
RESPONSIBLE CORPORATE GOVERNANCE COMMITTEE MEMBER	CLLR ANNE McARDLE
KEY DECISION:	No

1. EXECUTIVE SUMMARY

- 1.1. This report presents an update on the review of Performance Management within Wirral. The review is being undertaken as part of the work programme agreed by Cabinet of 16 November 2011. As the result of the review, a draft amended framework is proposed in Appendix 1, together with an outline business planning process for 2012/13 in Appendix 2 for the consideration of the Committee.
- 1.2. A further report detailing the business planning process and the performance appraisal process for 2013/14 and beyond will be submitted to this committee in March 2012.

2. RECOMMENDATIONS

- 2.1. That the Committee note the progress of this review and receives a final report at its meeting in March 2012.
- 2.2. That the amended Performance Improvement and Management Framework attached as Appendix 1 to this report is agreed.
- 2.3. That the Business Planning Process attached as Appendix 3 to this report is agreed.

3. REASON FOR RECOMMENDATIONS

- 3.1. A review of Performance Management was agreed by Cabinet of 16 November 2011 as part of a programme of action to address failures of Corporate Governance highlighted in a supplementary report to Cabinet undertaken by AKA Ltd, (Klonowski, 2011). The review is still underway and agreement to the approach and framework for 2012/13 is required.

BACKGROUND AND KEY ISSUES

- 3.2. The supplementary report provided by AKA Ltd, (Klonowski, 2011), recommended the Council should review and report on the improvements required to improve the Council's capability and capacity in respect of governance arrangements with a specific focus on the council's policy and performance functions.
- 3.3. In response to the recommendations, the Corporate Governance Committee (CGC) 7 December 2011 received a paper "*Performance Management: Delivering the Council's Vision and Values*" and resolved that:
- the proposed values and behaviours, in PERFORM, be reviewed in the context of the 2012/13 Corporate Plan and that the revised Vision and Values will clearly underpin the performance management framework;
 - the proposed performance improvement framework be reviewed to ensure that it fully reflects the revised values and behaviours and that Corporate Governance issues and improvements are embedded in the Corporate Planning process;
 - a programme of quarterly review and challenge of performance against Corporate and Departmental Plans be developed to ensure that progress in the achievement of outcomes is monitored and supported; and
 - the proposed organisational development process be reviewed to ensure that it supports the delivery of the outcomes reflected in the hierarchy of plans – Corporate, Departmental, Service and individual.

4. PROGRESS

- 4.1. In undertaking this review a literature search to identify key documents in relation to Performance Management Frameworks from organisations such as IDeA, HM Treasury and Improvement Networks has been undertaken. A further internet search has resulted in example frameworks from other local authorities and public sector agencies being acquired, to establish good practice and inform the revised framework. Engagement with internal departments to establish current process and establish good practice has commenced.

- 4.2. A refreshed Performance Improvement and Management Framework (Appendix 1) has been formulated taking into account the resolution of CGC. In addition a business planning process for 2012/13 has been developed that reflects the revised Framework, but takes on board the constraints associated with undertaking this review within the current business planning cycle, whilst not pre-empting the outcomes of other KLOE reviews.

5. PROPOSED PERFORMANCE IMPROVEMENT AND MANAGEMENT FRAMEWORK

- 6.1 The draft Corporate Plan for 2012/13 sets out the Council's vision and the values of the organisation and these are key to how the Council will work to drive forward the improvements that are required to ensure delivery of the agreed outcomes for Wirral residents. As a result the Performance Improvement and Management Framework, that had been considered by Cabinet on the 22 September 2011, has been revised to ensure that the Council's vision and values, together with the corporate governance issues, are embedded within the overall business planning process and reflected in the framework. A critique was undertaken as part of the revision process and Appendix 2 sets out the issues that were considered. Key issues include the need to review and update the leadership and management expectations in the light of the draft Corporate Plan and to introduce challenge and targets. The performance appraisal documentation will be reviewed once the Improvement Framework is in place.
- 6.2 The revised Framework is set out as Appendix 1. Corporate governance and a commitment to equalities underpins all areas of delivery so that improvement and learning are reflected in the full range of plans and also in the work and objectives of individual employees through clear leadership, management and workplace expectations.
- 6.3 The Framework provides a clear linkage between the Council's vision and values as set out in the corporate plan, its delivery through the business planning process including a clear line of sight between the Corporate, departmental and service plans and the role and performance of the individual employee.

7. PROPOSED BUSINESS PLANNING PROCES 2012/13

- 7.1 The proposed process set out in Appendix 3 identifies the individual processes within the business planning cycle, the department expected to lead the process, the overall approach required, as well as the organisational and political activities or approval required within each process.

- 7.2 The proposed hierarchy of business plans is that the Corporate Plan will set out the vision and values of the organisation and the aspirational objectives to be achieved. The Departmental Plans will translate this into the activity and resources required to achieve these objectives. These will be cascaded into Service Improvement Plans and the individual appraisal objectives will be based on these plans.
- 7.3 The reporting of progress against these objectives will be undertaken monthly both within Departmental Management Teams and with portfolio holders. This will be further supplemented by quarterly reports on Corporate Plan indicators and other management issues relating to finance, people, assets and customer feedback. These reports will be reviewed by Executive Team prior to a challenge session attended by Chief Officers and Cabinet Members.
- 7.4 These challenge sessions will take place prior to Cabinet briefing and will involve a detailed examination of any performance issues. Performance information will be supplemented with other intelligence such as benchmarking or self assessment data which will enable a holistic review of service activity to take place.

8. PERFORMANCE APPRAISAL

- 8.1 The draft Corporate Plan vision requires employees to positively change performance so that improvements are delivered based on a robust evidence base. The proposals for managing, monitoring, reviewing and reporting performance as set out above will therefore be supported by a clear appraisal process that links individual performance to the achievement of the council's objectives. The appraisal process will also support the drive to embed an improvement culture within the organisation.
- 8.2 Further details of the performance appraisal process will be reported to the Cabinet Committee in March, and it is proposed that the appraisal of all Chief Officers, Heads of Service and Service Managers takes place by the end of May 2012. This would provide the opportunity for individual objectives to be set against the Corporate and Departmental plans and for Heads of Service to take the lead on developing Service Improvement Plans by the end of June 2012. This would also enable recommendations arising from the work on the Code of Corporate Governance to be developed in that appraisals would be able to ensure compliance with key corporate governance policies and procedures.

9. NEXT STEPS

9.1 Work continues on delivering the objectives of KLOE 7 which will include the consideration and review of:

9.1.1 The Corporate Business Planning Process

- key principles of performance management
- prioritisation process
- neighbourhood planning & consultation arrangements
- business planning process
- budget setting process
- managing performance including:
 - individual performance
 - service improvement outcomes
 - outcomes shared with partners
 - reporting – timing, content, audience
 - systems & processes
- self evaluation, challenge & assurance
- development of a performance management toolkit
- officer & member development programmes and /or overall culture change programme

9.1.2 The Leadership and Management approaches:

- Ensuring the cascading of the business planning process
- Reviewing leadership and management expectations to introduce challenge and targets
- Reviewing behaviours in light of the draft Corporate Plan priorities

9.2 A further report will be submitted to the March meeting of this committee which will summarise the conclusions and recommendations following consideration of these key themes. The report will provide a more detailed business planning process and leadership and management approaches for 2013/14 and beyond, as well as the key milestones and resources required to achieve this.

9.3 This report will further detail any additional actions required post-March as part of the Council's revised approach to performance management efficiency and improvement.

10 RELEVANT RISKS

10.1 Failure to develop and implement an effective performance management processes may mean that weaknesses in corporate governance identified in the Corporate Governance report are not appropriately addressed. It may also result in the vision and values outlined in the Council's Corporate Plan not being delivered.

11 OTHER OPTIONS CONSIDERED

11.1 The recommendation of this report is based upon the interim findings of the review to date.

12 CONSULTATION

12.1 Consultation has taken place with other KLOE leads and the political lead for this specific KLOE.

13 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

13.1 There are none arising directly out of this report

14 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; & ASSETS

14.1 Significant senior resources will be required to implement the revised business planning process

15 LEGAL IMPLICATIONS

15.1 There are none arising directly out of this report

16 EQUALITIES IMPLICATIONS

16.1 There are none arising directly out of this report

16.2 Equality Impact Assessment (EIA)

(a) Is an EIA required? No

(b) If 'yes', has one been completed?.

17 CARBON REDUCTION IMPLICATIONS

17.1 There are none arising directly out of this report.

18 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

18.1 There are none arising directly out of this report.

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APPENDICES

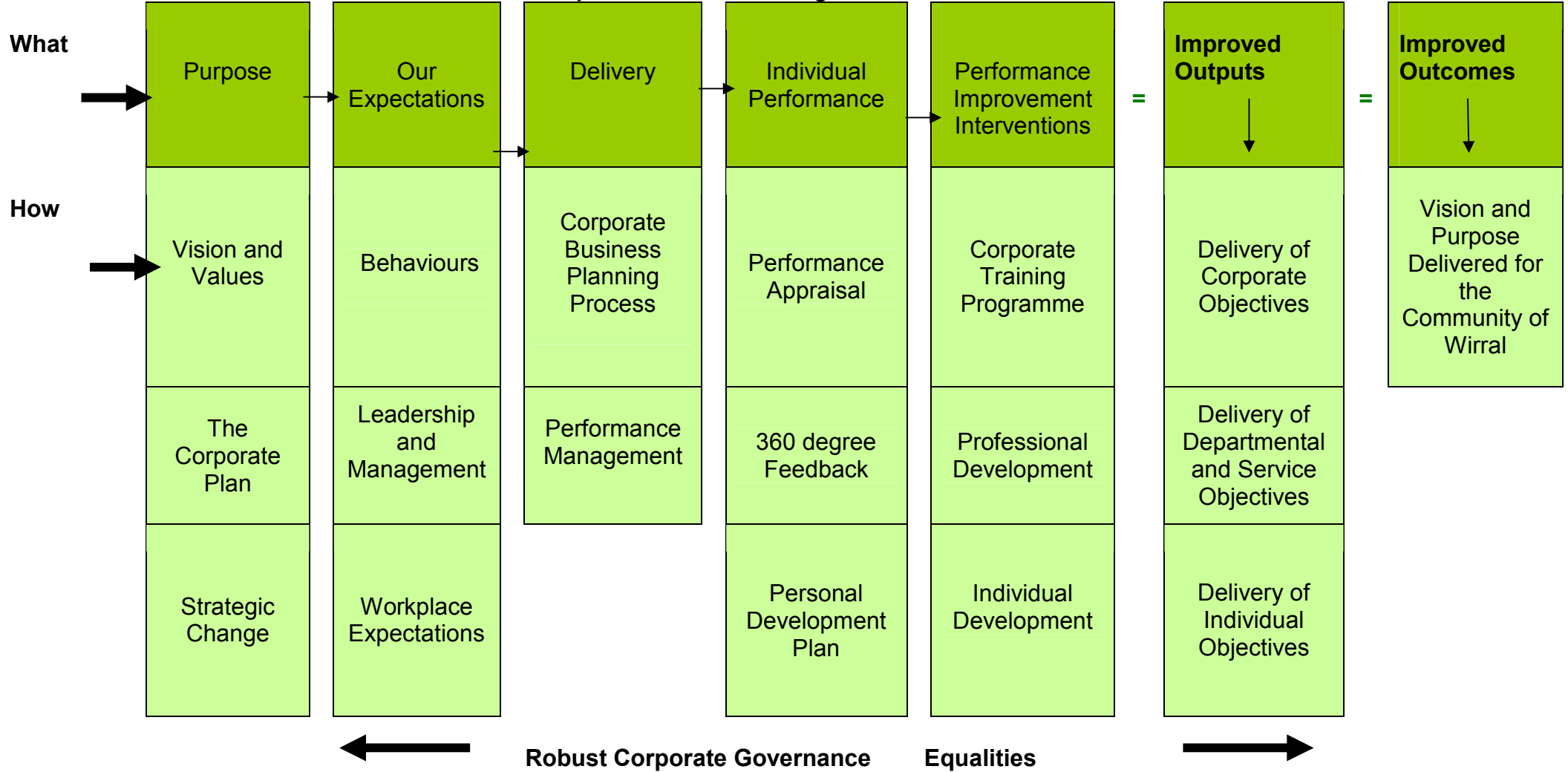
Appendix 1: Performance Improvement and Management Framework
Appendix 2: Business Planning Process 2012/13

REFERENCES

1. Anna Klonowski, (2011), *Wirral Metropolitan Borough Council's Corporate Governance Arrangements: Refresh and Renew*, AKA Ltd
2. Cambridgeshire County Council – Review of Performance
3. Devon County Council – Driving Innovation & Improvement
4. Local Government Improvement and Development Group - “Introduction to Business Planning and Strategic Management Councillor Workbook”
5. The HM Treasury’s Green Book
6. The HM Treasury’s Magenta Book
7. The Cabinet Office’s Strategy Survival Guide
8. Cheshire East Business Planning Process
9. Blackburn with Darwen Business Planning Guidance
10. Durham County Council – Future Approach to Performance Management, Efficiency & Improvement.

APPENDIX 1

Performance Improvement and Management Framework



APPENDIX 2 Performance Improvement and Management Framework

Critique of Current Position

Proposed Functions 'How'	Current Position	To Do
The Corporate Plan	Draft	Subject to consultation and agreement PIs to be included Communication and engagement
Vision and Values	Defined in the draft Corporate Plan	Behaviours to be reviewed and updated in light of the values Communication and engagement to embed vision and values OD plan
Strategic Change	Should this be considered separately? Propose that this is included in 'Purpose' as part of delivering the vision and this will then cascade into CBPP	Include within 'Purpose'
<i>Corporate Governance</i>	<i>This is part of the Leadership and Management and Workplace expectations - It should be how we work</i>	<i>Take out as a separate block</i>
Behaviours	Values now in Corporate Plan	Review behaviours against values and corporate context and feedback Member/officer focus group to progress
Leadership and Management Expectations	In place Propose that targets are set, including demonstrating leadership in the workplace	Review and update in light of the corporate context Introduce challenge and targets Review Performance Appraisal Policy Statement Guidance and Training
NEW: Workplace Expectations	Not currently identified as a separate block Expectations outlined within current performance appraisal policy Individual commitment to values, behaviours and expectations	Draw out from current Performance Appraisal Policy and review Include in Performance Appraisal Policy statement

Proposed Functions 'How'	Current Position	To Do
Corporate Business Planning Process (CBPP)	Corporate Plan, Departmental Plan, Section Plan (team plan) individual work plan Need to cascade process	Outline plan to link corporate plan through to service plans Timetable for reporting and sign-off Guidance and Training
Performance Management	Requires accountability Requires reporting mechanisms	Outline Plan as above Guidance and Training
Performance Appraisal	Documentation to be reviewed once Improvement Framework is in place	Review documentation
360 Degree Feedback	Proposal to introduce at six month stage	Design around new behaviours
Personal Development Plan	To be reviewed	Review
Corporate Training Programme Professional Development Individual Development	Intention to embed as normal way of working so proposed functions replace current 'Skills for Wirral Managers and 'Skills for Wirral Employees'	Map across from appraisals, development plans etc to requirements Resource assessments to deliver a mandatory module approach

APPENDIX 3: Corporate Business Planning Process 2012/13

Process	Lead	Approach	Organisational Activity		Political Activity	
			Event	Timing	Event	Timing
Consultation	Community Engagement & Communications	Neighbourhood Planning exercise.	Ensure priorities identified are in Corporate plan and Departmental Plans.	December 2011	Cabinet consider Neighbourhood Plan findings	November 2011
	Finance	You Choose Budget Simulator		Aug – Nov 2011		Cabinet consider <i>You Choose</i> analysis
Corporate Plan	Current under Review (KLOE 5)	Refresh existing 3 year plan (2011-14)	Draft submitted to Cabinet	December 2011	Cabinet consider & Council approve	December 2011 & February 2012
Departmental Plan	Chief Officers	Develop based on Corporate Plan goals. Departmental budget to be presented by Corporate Plan theme	Present to Executive Team	January 2012	Sign off by Cabinet	February 2012
Budget	Finance	Executive Team to develop proposals in consultation with Portfolio holders Alignment of budget to Corporate Plan priorities.	Proposed to Cabinet	February 2012	Cabinet recommend to Council	March 2012

			Organisational Activity		Political Activity	
Service Improvement Plans	Chief Officers Heads of Service	Developed based on Dept plan, objectives set in appraisal and relevant management issues. The focus to be improvement rather than day to day activity	Challenge sessions at Departmental Management Teams. Monitoring of progress	May /June Monthly	Progress monitored by portfolio holder.	Monthly
Performance Appraisal	HR & OD	All Chief Officers (CO), Heads of Service (HoS) & Service Managers by end of May 2012.	CO & HoS agree improvement objectives to form the basis of service improvement plans and annual reports.	Complete by end June	Appraisal of Chief Executive. Cabinet consider annual reports	April 2012 July 2012
Performance Reporting	Finance	Quarterly reports to include: Corporate Plan indicators by exception Management issues: People Finance Assets Customer feedback	Executive Team to review prior to challenge session with representatives from Cabinet	Qtr4/End of year (11/12) Qtr 1 Qtr 2 Qtr 3 Qtr 4	Cabinet members Challenge session with Chief Officers	Quarterly prior to Cabinet briefing