

CYNGOR SIR POWYS COUNTY COUNCIL

CABINET 4th October 2016

REPORT AUTHOR: County Councillor Wynne Jones
Deputy Leader and Portfolio Holder for Finance and Performance

SUBJECT: Proposals for improvement to Performance Reporting and Evaluation

REPORT FOR: Decision

1. Background and Introduction

- 1.1 This report presents proposals relating to the greater alignment of organisational and financial reporting and improved arrangements for performance evaluation and challenge.
- 1.2 The proposals are presented in response to the views of Cabinet, Management Team and the Wales Audit Office that the Council should make improvements to the way in which it holds officers to account for performance, a theme where the Wales Audit Office have found a general weakness across local government in Wales. The proposals also respond to the Wales Audit Office recommendation as expressed in the Annual Improvement Report for 2015/16 that the Council needs to better align service and financial performance.

2. Proposal

- 2.1 Currently, financial and organisational performance is considered in a variety of fora, including the Strategic Overview Board and the quarterly Budget Challenge Events. It is believed that this approach does not allow for effective performance challenge, offer a 'joined up' view of performance nor provide a clear picture of performance in delivering against the Council's key strategic priorities.
- 2.2 In response to the perceived deficiencies described in para. 2.1, it is proposed that the quarterly budget challenge events led by Management Team with the participation of the Deputy Leader and Portfolio for Finance cease and that financial performance is considered by the Strategic Overview Board on a quarterly basis alongside other performance reports.
- 2.3 The Strategic Overview Board will act as the Council's performance management board and will operate under the leadership of the Portfolio Holder for Finance and Performance.
- 2.4 A draft terms of reference for the Strategic Overview Board accompanies this report as Appendix A. The following paragraphs provide a summary of the duties of the board.
- 2.4 It is proposed that the board will receive established reports that present an assessment of performance on the basis of how the activity contributes to each of

the Council's four strategic priorities as expressed in the Corporate Improvement Plan. The four strategic priorities are:

- Services delivered for less: Remodelling council services to respond to reduced funding
- Supporting people in the community to live fulfilled lives
- Developing the economy
- Learning: Improving learner outcomes for all, minimising disadvantage

2.5 Currently, performance is reported on a service basis and is not aligned with how it supports the delivery of the Council's strategic priorities. It is suggested that the following themes will be reported in this format:

- Financial improvement performance against agreed activity within the MTFS
- Service improvement performance against activity agreed in the CIP and OPP
- Performance against the Risk Management Plan

2.6 General financial performance will still be reported as service performance, but the report to the panel will only focus upon key financial risks. It is suggested that routine performance monitoring will take place on a quarterly basis between Portfolio Holders and their Heads of Service and Strategic Directors, with Finance Business Partners adopting a broader support and challenge role covering both financial and improvement performance. The Corporate Insight Centre will continue to provide support and challenge to the quarterly service performance review meetings.

2.7 Where routine performance monitoring at Service level identifies a performance variance that has the potential to present an organisational risk, it will be the responsibility of the relevant service Portfolio Holder to raise the matter at the Strategic Overview Board.

It is also proposed that the board receive reports covering the following:

- Performance against regulatory recommendations as identified in the regulatory tracker
- Performance against the activity agreed in the Strategic Equality Plan
- Performance against the activity agreed in the Workforce Plan
- Performance against the activity agreed in the Welsh Language Scheme

2.8 A summary of the business of the board, capturing any key recommendations, will be reported to Cabinet for approval on a quarterly basis.

2.9 It is proposed that the Strategic Overview Board will meet on the following dates:

18th October 2016
20th December 2016
14th March 2017
13th June 2017
12th September 2017
12th December 2017

- 2.10 It is proposed that the presentation of evidence of performance delivery to the board is led by the relevant Portfolio Holder, who will be fully briefed on service performance at the quarterly service performance review meeting.
- 2.11 It is anticipated that performance reporting on the basis of organisational priority may present some practical challenges as present portfolios do not necessary align with the current organisational priorities. It is suggested that such challenges may be overcome by identifying a Cabinet Member lead for each of the four strategic priorities who would lead the presentation of cross-cutting evidence of performance against achieving their 'sponsored' priority to the Corporate Performance Management Panel. Whilst it is not proposed that this arrangement is adopted immediately, it could be considered as an option for organising Cabinet Portfolios following next year's local government elections.

3 Options Considered/Available

- 3.1 The above proposals present an opportunity to focus performance monitoring activity against the Council's strategic priorities as described in the Corporate Improvement Plan and the integration of financial and improvement performance reporting. The current performance reporting arrangements do not provide a holistic view of organisational performance nor do they provide a clear view of the Council's progress in achieving its strategic priorities.

4. Preferred Choice and Reasons

- 4.1 It is believed that the proposals set out in section 2 of this report offer an opportunity to improve the challenge of organisational performance, focus attention on the activity that delivers against the Council's key strategic priorities and brings together both financial and improvement reporting to provide a holistic view of performance against strategic priorities.

5. Sustainability and Environmental Issues/Equalities/Crime and Disorder,/Welsh Language/Other Policies etc.

- 5.1 Performance against policy objectives will be considered by the Strategic Overview Board.

6. Other Front Line Services

- 6.1 All front line services will present evidence of performance to the board

7. Support Services (Legal, Finance, HR, ICT, BPU)

- 7.1 Support services will be expected to present evidence of performance to the board along with all other services. The administration of the Strategic Overview Board will be led by the Professional Lead, Corporate Insight and their team.

8. Local Service Board/Partnerships/Stakeholders etc

N/A

9. Corporate Communications

N/A

10. Statutory Officers

10.1 The Section 151 Officer supports the proposals set out in section 2 of this report.

10.2 The Monitoring Officer supports the proposals set out in section 2 of this report.

11. Members' Interests

11.1 The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest, they should declare it at the start of the meeting and complete the relevant notification form.

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| Recommendation: | Reason for Recommendation: |
| To agree the proposals set out in section 2 of this report. | To strengthen the Council's performance management arrangements. |

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| Relevant Policy (ies): | | | |
| Within Policy: | Y | Within Budget: | Y |

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| Relevant Local Member(s): | |
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| Person(s) To Implement Decision: | David Powell |
| Date By When Decision To Be Implemented: | April 2016 |

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Background Papers used to prepare Report: