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To: Environment, Highways & Waste Policy Overview & Scrutiny
Committee – 8 April 2011

Subject: KCC's Performance Management Framework

Classification: Unrestricted

SUMMARY

This paper provides details of work underway to develop a clear Performance Management Framework for the authority.

FOR COMMENT

1. Introduction

The recent launch of KCC's new strategic statement, Bold Steps for Kent, as well as the restructuring has given the opportunity to review and refresh our current performance management arrangements to ensure they are robust and efficient.

One of the key changes will be the development of a single performance framework, using Bold Steps for Kent at its heart.

This will form part of an overall performance management framework for the authority that is underpinned by a stronger culture of performance management accountability, greater self awareness and transparency across the council. It will also have due regard for the significant reduction in both staff and finances over the coming years.

2. Current position

We currently rely on a number of different processes to help assess the performance of the organisation. These include, for example, quarterly Core Monitoring reports (which also incorporate half-yearly business plan monitoring), quarterly Financial Monitoring reports, and Towards 2010 reports (as was). As well as corporate reporting arrangements directorates have in place their own monitoring and reporting mechanisms.

Each of these various monitoring and reporting processes often uses its own set of performance measures resulting in vast quantities of performance information being produced. This can result in members and the Corporate Management Team not being able to 'see the wood for the trees'. This range of current monitoring and reporting processes, some for different audiences, can also lead to a disjointed and sometimes unclear picture of current performance for the authority at any one time. These varying and various processes also have the potential to duplicate activity and therefore add additional costs.

In addition, some of our key strategies that have been published do not yet have an established monitoring and reporting process in place to track progress.

As an authority we need to be much smarter at delivering our performance management processes in a more joined-up and intelligent way in order to give members and the Corporate Management Team what they need to understand the complete performance picture of the organisation, and to assess the outcomes being delivered. This would also drive out duplication in the system.

We also want to ensure that the performance information provided consistently results in proper intervention and targeted actions to improve performance where it is poor or declining and that it has due regard to risk and spotting potential problems before they arise.

3. Principles of KCC's new performance management framework

We will develop a performance management framework which has the following principles:

- We will **establish a single performance framework for the authority that provides an intelligent joined-up assessment of performance against our key priorities**. Bold Steps for Kent will be at its heart. This framework needs to have the confidence of both members and officers, be understandable, transparent and less bureaucratic than current processes. It will include relevant measures and be proportionate. This is described in more detail in section 4, overleaf.
- We will **report the information that members and the Corporate Management Team need** in order to understand current performance. This will be essential information which is readily understood to ensure they are better informed and are able to focus in on the key issues. This reporting will have the principle of subsidiarity at its heart ensuring performance is being correctly managed at its most appropriate managerial and political level
- Reports on progress will be designated by a RAG (red/amber/green) status which will **create a trigger when escalation and intervention is required**. Definitions of the individual RAG statuses will be agreed as will the trigger point for escalation and intervention e.g. when performance is deemed to have turned from 'amber' to 'red'
- We will **performance manage not monitor**. There will be greater transparency about performance and personal accountability and clear decisions will be made about what needs to happen when performance levels are falling or have a 'red' status. There will also be a greater emphasis on anticipating and forecasting performance problems to ensure 'no nasty surprises'
- We will underpin this with a stronger framework to provide **challenge and accountability for poor or reducing performance**
- We will ensure **transparency of performance data** and its availability in the public domain. Data will only be confidential if it is confidential
- We will **examine why something is working well** to understand what we can learn from it e.g. is it because we're investing too much money in it or is it good practice we can share?

- The new framework will be **less resource intensive and reduce duplication**; something that is fundamental in an organisation with less money and less support staff
- The new performance framework will also involve staff from all levels in the Council to create wider awareness and additional challenge in the process.

4. Development of a single performance framework

We have published a wide range of key strategies across our services that set out our priorities and commitments to the people of Kent. Bold Steps for Kent is one of these and is our medium term plan to 2014/15. As such, it overarches all of our strategies.

As discussed in section 3, we will develop a single framework that measures how we are performing against all of our strategies using Bold Steps for Kent as its core.

Work is being done to map the high level priorities and commitments made in Bold Steps for Kent to those in our other published key strategies. As expected, there is close alignment between Bold Steps for Kent and the documents mapped so far.

As would also be expected, Bold Steps for Kent does not include specific mention of all of the *detailed* commitments and priorities found in the key strategies mapped but they will be included in the new single performance framework.

The framework will also include the commitments and priorities published in the *underpinning* strategies and plans that cascade from the overarching key strategies.

Finally, the single performance framework will also include any core business not covered in the strategies.

Ensuring all these necessary elements are included in the single performance framework will ensure that *progress can be understood, tracked, managed and reported as a single entity*.

The performance measures used to help track progress will be proportionate, relevant and focused and will include quantitative and qualitative measures and 'lead and lag' metrics. Lead indicators focus on what happens before the event and lag indicators focus on what happened as a result of the event. A lead indicator could be, for example, school attendance and a lag indicator is, for example, exam results.

Indicators used will also include *directly-related measures* as well as those that seek to *take to temperature of the organisation*. This means that we will be able see progress in the round and not just against one single aspect (a key lesson learned from the recent Children's Social Services inspection report).

5. Next steps (April to July)

We want to involve members in evaluating and agreeing the success factors for the key priorities and commitments published in Bold Steps for Kent i.e. what will success look like at the end of its term in 2014/15?

We propose to do this via a structured workshop(s). We will then use this feedback to help shape some of the performance measures to be used in the single performance framework. Baselines will then be established against the quantitative performance measures.

We will seek endorsement to the single performance framework at the June POSCs and approval by County Council in July.

6. Recommendations

Members are asked to NOTE the approach being taken to provide a clear performance management framework for the authority and make any relevant COMMENT.

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