WEST DEVON BOROUGH COUNCIL

NAME OF COMMITTEE	Overview & Scrutiny
DATE	12th June 2012
REPORT TITLE	Performance Indicator Review
Report of	Corporate Improvement Officer
WARDS AFFECTED	All

Summary of report:
To provide Members with the results from the Review of Performance Indicators project and an updated reporting format for O & S with increased focus on reacting to negative performance.

Financial implications:
No additional cost to the council. The refocusing of performance measures onto what is important and relevant for the service areas and removing obsolete or dated Performance Indicators will reduce the ongoing resources required and boost performance.

RECOMMENDATIONS:
That Overview & Scrutiny approve the new Performance Indicators to be reported quarterly to the Committee

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1.   BACKGROUND

1.1   As part of the 2015 Transformational Programme, a review of the current performance indicators was identified as a project that should be undertaken within the first tranche.

1.2   The government has relaxed the data Councils are required to supply and no longer use this data to compare council performance. This gives use the opportunity to refocus our performance activity on what is important for the services locally or on improving specific issues within an area

1.3   Previous indicators relied heavily on explaining the level of our performance and were collected in such a way as to make it difficult to take corrective action when performance started to decrease. The focus of the new set of performance indicators will promote management action and reaction to failing performance.

1.4 A joint Task and Finish group was set up to look at what indicators Members would like to see reported to give a more transparent snapshot of the Council's performance. The group reported back through the Scrutiny and Committee structure and gained approval for its recommendations by Executive at South Hams and Strategies and Resources Committee at West Devon.

1.5 As well as the Task and Finish Group, each service has undergone training on performance management and from this have devised further internal measures that will help drive performance improvement within their services and provide additional information to Members, through information reports.

2. ISSUES FOR CONSIDERATION

2.1 The existing Balanced Scorecard Report will continue to be used for the new indicators (appendix A). This gives a high level overview of all indicators that are target based. They are a combination of the internal measures developed in conjunction with the Task and Finish group and the measures that services have devised. It uses the Red-Amber-Green approach to visually show targets that have been met, are within a tolerance, or have not been met.

2.2 Appendix B is a background report that contains information and data to supplement the Balances Scorecard. It also shows performance data that is not target based.

2.3 The main changes to the reporting format for O & S are two fold:

- Perfomance Indicators that have not been met will have the Red-Amber-Green status for the previous quarter included and an action response from the Middle Manager responsible. This is to emphasise the reaction to falling performance rather than just explaining or noting it.

- Performance Indicators that have not been met for two consecutive quarters will provoke a minuted response from O & S on the action response proposed by the Middle Manager.

2.4 Responses from O & S could include, but not limited to:

	Response	Result	Consequences for response (inc resourcing issues, etc)
1	Agree with Action response	Trust that Middle Managers interpretation of situation and response will rectify falling performance over time	No additional resource above effort proposed by Middle manager
2	Query Action response	Agree with interpretation of situation but express concern over the level of the response	No additional resource above effort proposed by Middle manager
3	Request further	Assessment of management	Middle manager resources

	details on the action responses undertaken so far	responses taken so far and their effectiveness.	required, will pull form operational management time. HoS resources also required
4	Request report on ongoing issues	Deeper understanding of the causes of falling performance	Middle manager resources required, from operational management time. Additional support from Business Development Team where capacity allows
5	Set up Task & Finish Group	T&F group organised with clear goals and timescales	Large resource requirement from both Cllrs and Officers. Longer lead time for results but useful for reframing goals of service area
6	Request Service Review	Systems review process becomes high priority and scheduled to commence as soon as current review schedule allows	Large resource requirement both in Business Development Team and service area undergoing review. Need for robust understanding of problem to be resolved. Longer lead time for results. Schedule agreed by SMT

2.5   The Committee should note that the additional resource requirements for options 3-6, especially options 5 & 6, will impact on service level and performance themselves so should only be undertaken when a clear need is identified.

3.   LEGAL IMPLICATIONS
3.1   No legal implications

4.   FINANCIAL IMPLICATIONS
4.1   No financial implications, performance indicators chosen for ease of collection and reporting so any additional resource requirement should be minimal. Responses to falling performance should limit additional costs produce by poor performance by reallocating resource to the optimum area.

5.   RISK MANAGEMENT
5.1   The Risk Management implications are shown at the end of this report in the Strategic Risks Template.

Corporate priorities engaged:	All priorities considered when designing PI's
Statutory powers:	None

Considerations of equality and human rights:	There are no equality and human rights issues related to this report.
Biodiversity considerations:	There are no Biodiversity issues
Sustainability considerations:	Improved performance should provide efficiencies.
Crime and disorder implications:	There are no Crime and disorder implications.
Background papers:	Previous O & S reports
Appendices attached:	A: Example Balanced Scorecard Report B: Example Background Report

STRATEGIC RISKS TEMPLATE

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
G11-05	Poor performance leading to poor service delivery and damage to Council's reputation	Failure to adequately calculate and report on BVPIs and Local Performance Indicators. Managers not accepting/paying lip service only to best practice and improvement initiatives or failure to engender an improvement and performance management culture will increase the risk to the Council and it's reputation.	3	2	6	⟺	Recommendations within the report will increase oversight and focus effort onto resolving any temporary performance issues. Strengthening of O & S's role should increase accountability and drive a stronger performance culture	SMT
G11-06	Failure to effectively manage change	There will be a need to ensure that any change within the organisation (whether imposed internally or externally) is effectively managed.	4	2	8	⟺	Review of improvements and management actions in response to failing performance should increase the effectiveness of change management within the organization. More visible responsiveness to failing performance should reduce the resistance to change making management easier.	SMT
CX11-03	Leadership & Management	Ineffective Leadership and management	2	1	2	⟺	Emphasis placed on middle managers responding to operational issues and drive performance whilst Heads of Service focus on more strategic issues	CX & SMT

Direction of travel symbols ⇩ ⇧ ⟺