

Name of meeting: Overview and Scrutiny Management Committee

Date: 5th November 2018

Title of report: Introduction to the new Corporate Performance Framework

Purpose of report

To provide members with an overview of the Council's revised corporate performance management framework.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	No
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports?)	Not Applicable
The Decision - Is it eligible for call in by Scrutiny?	No
Date signed off by Strategic Director & name	Rachel Spencer-Henshall Strategic Director – Corporate Strategy and Public Health
Cabinet member portfolio	Cllr Graham Turner

1. **Summary**

This report provides members of the committee with an outline of the Council's revised corporate performance management framework.

The new framework will be implemented throughout 2018/19 and aims to improve the existing corporate performance arrangements by:

- Introducing an outcome focused approach to performance;
- Placing a greater emphasis on understanding impact;
- Taking an analytical approach to performance;
- Measuring what counts rather than what we have always measured.

2. **Information required to take a decision**

A light review of the Council's corporate performance arrangements took place earlier this year. The review took account of feedback from elected members and senior managers on the Council's existing corporate performance arrangements alongside a review of the content of corporate performance reports and the impact of corporate performance arrangements on strategic decision making.

The review found that the Council's existing corporate performance arrangements are:

- Driven by the content of Council service plans and, as a result, are action and performance indicator orientated;
- Managed in silos resulting in a less comprehensive understanding about 'system' issues and inter-dependencies across services;
- Largely focused on process, activity and outputs rather than quality and outcomes;
- Less focused on understanding the issues and causes impacting on performance;
- Overly focused on targets and thresholds with limited benchmarking, trend analysis and future projections to evidence what good performance looks like and provide assurance that we are going in the right direction;
- Light on analysis to fully understand what performance looks like within individual places and for specific demographics across Kirklees – e.g. giving that place based picture.

Outcome Focus

The new framework will aim to provide members with a quarterly overview of impact, improvement and risk against each of the seven Kirklees Outcomes, within the context of what is set out in the newly formatted Corporate Plan. There are several key aspects to this revised approach.

For each Outcome we intend to be more forward looking. Rather than retrospectively report what has already happened, we will use both hard and soft intelligence to look forward, becoming more sensitive to changing behaviour and experiences across all seven Outcomes.

Building the capacity and capability to monitor and report performance more holistically is critical. The establishment of Strategic Outcome Leads (Corporate Directors), who will provide ownership and oversight of issues and risks for each Outcome on behalf of the Council, will support this. In addition, an Intelligence and Performance Lead will support the Outcome Lead with the intelligence picture for

each Outcome. Their role will be to carry out strategic analysis and work with the Strategic Outcome Lead to improve both the relevance and the representativeness of corporate performance content.

From target-driven performance monitoring to strategic analysis

A further key intention of the revised corporate performance framework is for report content to be more strategically rounded. It should connect with the available intelligence and, in considerations of the story behind the Outcome, direct the reader to only the elements of performance that are currently critical - rather than present and update against all data and actions every quarter. The corporate performance framework should accommodate two distinct forms of accountability.

With a view to longer term horizons, we have a set of population indicators that will measure in 'big picture' terms changes in behaviours and conditions at a Kirklees level – things like school readiness, life expectancy, household disposable income, air quality, community safety etc. These are shared responsibilities with our local and regional partners. We share accountability across the Partnership.

In relation to Council activity, we aspire to monitor the quantity and quality of everything we do. We are held solely accountable for this and the impact they make.

Previous incarnations of the framework have focussed on targets as the key test of performance. Targets can often be prone to either positive or negative bias. Additionally, there is evidence to suggest that setting targets can constrain high achievement and continuous improvement – that targets are an end point and that once end points are reached, performance focus can diminish.

The new framework will replace targets with a set of analytical tests. These are:

1. What does historical demand, activity and performance look like?
2. How does demand, activity and performance compare to other areas?
3. What is our prediction for future demand, activity and performance?

The Intelligence and Performance Leads will apply these tests in an unbiased, impartial way to provide assurance to the organisation.

The process of reporting corporate performance

The quarterly process for producing and delivering a high quality performance report to members requires revision, as a result of introducing the changes specified above.

We are aiming for higher quality content to provide the Council with more assurance on its performance and to encourage more meaningful performance discussions at a strategic level. To achieve this, there will be wider participation in the process of producing the report. As a result, and until we fully embed the new framework, it will take slightly longer to produce the report.

The new arrangements will be introduced from Q2 2018/19 and whilst the quality of report content will improve incrementally, we anticipate it taking 6-9 months to fully embed the new framework.

Value and Benefits

The new corporate performance arrangements will contribute to the Council's aspiration to become intelligence-led and outcomes focused in the following ways:

- Provide members with intelligence and insight, rather than data.
- Design out the potential for bias in reporting, a 'straight bat' factual delivery of insight and intelligence.
- Strengthen the golden thread between the greatest needs for the District and what the Council does in contribution.
- Provide an evidence base of progress towards the delivery of Corporate Plan aspirations.
- Encourage strategic discussion around the things that matter rather than being pulled into operational detail.

Issues and risks

The Council's Intelligence and Performance Service is still relatively new having only been established at the end of May 2018. Resource and knowledge gaps exist in relation to some services. More broadly, painting an intelligence picture on an outcome basis will be new to a lot of officers. Whilst plans are in place to address these gaps, this is likely to impact on our intelligence base to inform the performance narrative against a number of the Kirklees Outcomes in 2018/19.

The Council cannot improve outcomes in isolation. Strategic Outcome Leads and Intelligence and Performance Leads will need to build up knowledge and understanding of how demand, activity and performance of partners impacts on the Kirklees Outcomes. This approach will take time to embed therefore 2018/19 will be used to test and refine our approach to corporate performance with the ambition to have a fully developed, high quality process in place for 2019/20.

3. **Implications for the Council**

The new corporate performance framework is designed to support the Council's strategic oversight of performance against the 7 Kirklees Outcomes.

4. **Consultees and their opinions**

Feedback from elected members has been used to inform the development of the Council's new corporate performance framework. The main themes from discussions with members were:

- Ensure we have an impartial and independent picture of our performance.
- Focus on measuring what really matters rather than what we have always measured.
- Less data and more insight.
- Enable a more meaningful discussion on Council performance.
- The role of scrutiny as a 'critical friend'.

5. **Next steps**

The new arrangements will be introduced from Q2 2018/19 and will be reported to Overview and Scrutiny Management Committee on 7th January 2019.

6. **Officer recommendations and reasons**

Not applicable.

7. **Cabinet portfolio holder's recommendations**

Not applicable.

8. **Contact officer**

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9. **Background Papers and History of Decisions**

Not applicable.

10. **Service Director responsible**

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