

GOVERNANCE COMMITTEE

27 JUNE 2012

REPORT OF HEAD OF COMMUNICATIONS

CONSTITUTION – PART 8 – PERFORMANCE MANAGEMENT – 2012 VERSION

1.0 PURPOSE OF REPORT

- 1.1 To allow Members to consider changes to the Council's Performance Management Framework and System, and to replace the 2007 version with a 2012 version.

2.0 RECOMMENDATIONS

- 2.1 **That the 2012 version of the Performance Management Framework and System be approved for inclusion within the Council's Constitution.**

3.0 KEY ISSUES

- 3.1 The changes to the Performance Management Framework and System as shown in the 2007 Version have arisen from the changes to the arrangements for performance management for local authorities following the Coalition Government's formation after the General Election in 2010:

- The planned abolition of the Audit Commission, and its replacement with localised audit arrangements;
- The end of Comprehensive Area Assessment and the National Indicator Set;
- The Localism Bill, which is now the Localism Act;
- The Single Data List, Open Data and the transparency agenda

All of these emphasise the importance of performance arrangements which are locally focused and locally accountable. Also, Melton's elected Members had expressed a wish to see a streamlined performance management system, with a relatively small key set of performance measures, using line-of-sight techniques now common in the private sector.

- 3.2 A number of contact meetings were held with representatives of Severn Trent to discuss their use of balanced scorecards, key performance indicators, and techniques to align business activities with corporate priorities. Severn Trent was chosen as it had been a public sector organisation prior to privatisation, and had initiated a substantial programme of organisational transformation with regard to improving its performance management arrangements. Specifically, Severn Trent had the tight focus on a small set of genuinely key performance indicators and corporate priorities – key strategic intentions in their terminology – of the kind that Melton's elected Members wanted to see used.

- 3.3 Melton's Performance Management Task Group was constituted following the Special Policy, Finance and Administration Committee of 13 July 2010, with a view to re-focus the Council's Performance Management Framework. A series of meetings of the Task Group were then held to progress the development of the new Framework and supporting System. A presentation was given to the Task Group concerning the use of 'line-of-sight' performance management techniques.

- 3.4 For the Council year 2011-12, the Performance Management Task Group was reconstituted as the Performance Management Information Task Group under the Overview, Scrutiny and Audit Committee. The work of developing the performance management system along the lines set out in 2010-11 continued. The Council's services began to use a first version of a Council scorecard to assess overall performance, with supporting Corporate Plan and Service Standards indicator sets to measure performance. Supplementary indicator sets were identified for teams in services where these contributed to assessing performance for completion of the scorecard.
- 3.5 Testing out the scorecard and metrics during 2011-12 has enabled officers to identify improvements to the indicator sets and scorecard, to be implemented in the versions of these to be used in 2012-13. Revised guidance to officers will also be issued in 2012-13 following an examination of best practice developed by teams and services in using the 2011-12 versions.
- 3.6 The Performance Management Information Task Group has now been reconstituted under the Governance Committee, for 2012-13, following the abolition of the Overview, Scrutiny and Audit Committee, to allow the development of the Performance Management Framework and System to continue.
- 3.7 This development has now reached the stage where the Framework and System are sufficiently changed from the 2007 Version shown in the Council's Constitution, for a 2012 Version to be substituted, to allow the present arrangements to be shown.

4.0 POLICY AND CORPORATE IMPLICATIONS

- 4.1 The proposed 2012 Version in Appendices 1, 2 and 3 should replace the current 2007 Version, allowing the Council to describe and refer to current Performance Management practices in the Council.

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

- 5.1 There are no specific new financial or other resource implications arising from this report.

6.0 LEGAL IMPLICATIONS/POWERS

- 6.1 There are no legal implications directly arising from this report beyond the necessary modifications required to add the 2012 Version to the Council's Constitution.

7.0 COMMUNITY SAFETY

- 7.1 There are no community safety issues directly arising from this report.

8.0 EQUALITIES

- 8.1 There are no equalities issues arising directly from this report.

9.0 RISKS

- 9.1 The Council's Constitution requires the Part 8 – Performance Management section to be present, and also up-to-date. The 2012 Version – and the arrangements described within it – will allow the Council to meet the current requirements for performance management of the Council's business.

Probability



Very High A				
High B			1	
Significant C				
Low D				
Very Low E				
Almost Impossible F				
	IV Neg- ligible	III Marg- inal	II Critical	I Catast- rophic

Impact →

Risk No.	Description
1	Constitution – Part 8 – Performance Management

10.0 CLIMATE CHANGE

10.1 There are no climate change issues directly arising from this report.

11.0 CONSULTATION

11.1 There are no public consultation issues arising directly from this report.

12.0 WARDS AFFECTED

12.1 All wards are potentially affected.

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Date: 19 June 2012
Appendices: 3
Background Papers: N/A
Reference: