

Performance Management

Context

During the development of the Local Area Agreement it was agreed by all partners, that a Performance Management Framework for the LAA needed to be established that balanced the need for robustness and flexibility. It was also agreed that the Framework should:

- Build on existing arrangements including those recently established and agreed for LPSA2
- Be mutually acceptable across our partnerships
- Be able to provide for parties holding each other to account
- Be accessible and appropriate to all partners
- Be proportionate to the range of activities included within the LAA

Performance Management and Governance

The development of a Framework is intrinsically linked with the governance arrangements of the LAA both during the development phase and the implementation phase- post April 2007. During the development of the LAA, block leaders and groups have been co-ordinated by a Servicing Group consisting of operational officers and a Steering Group consisting of Chief Executives and Leaders of respective partner organisations. Whilst the performance management framework and issues relating to resources have been dealt with at Servicing Group level, governance arrangements have been addressed through a Task and Finish Sub-Group of the Steering Group.

In terms of emerging proposals on future governance arrangements (See section 8), it is proposed that performance management would occur at the following levels:

- County Level Strategic Board (PSB): High level performance management of whole LAA
- County level thematic groups: Detailed performance management by block
- District LSP's: Monitoring the local impact of the LAA

In subsequent developments on performance management and governance, linkages will need to be made between the levels to ensure that chains of accountability are evident between partner agencies and governance arrangements.

In addition to the management of performance, further work will also be required to involve the scrutiny process and the monitoring of performance at both District/Borough level and at a county strategic level. A co-ordinated approach will be required to ensure that Scrutiny is engaged in a meaningful manner that adds value to the process and strengthens the partnership approach that underpins the entire success of the LAA.

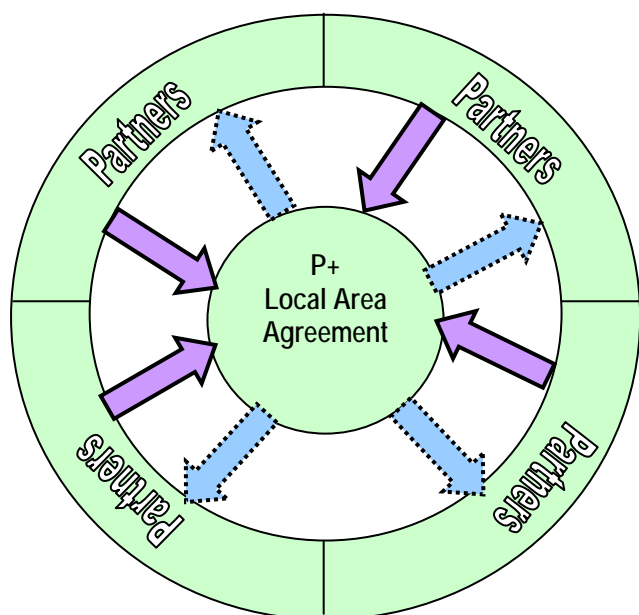
The Framework



The Warwickshire LAA will be performance managed by the PSB -or its equivalent. Whilst the County Council will conduct the co-ordination of the framework, all partners will have shared and identified responsibilities for performance monitoring, data collection and inputting through a single IT based performance management system. This system will manage performance of the LAA and the need for flexibility and 'interfacing' between partner's systems therefore is crucial and has been acknowledged by all partners as a requirement during the setting up of the process. It is anticipated that all partner access to the system would be through a web browser system that would be developed in due course.

Co-ordination of the framework at all levels will involve the collation of performance information on a quarterly basis and reporting to the appropriate governance body within the LAA. Quarterly reporting will ensure that issues are addressed (by block, area and county) within the context of:

- Six monthly performance reviews with Government Office
- Financial Planning
- Annual LAA refresh

The collation of information will also involve the highlighting of *under and over performance* together with exception reporting (for more see below). An overview of the system in action is illustrated below:



Key	
	Data is input by partners at agreed intervals appropriate to the outcome/indicator directly into the 'Performance Plus' LAA
	Information is analysed and reported back to partners, as well as Government Office and the Public

The Performance Management Framework will address risk assessment and management through the development of the delivery plans which in addition to setting out proposals for implementation-will also set out the identification of risks and what action if any is in place to manage and minimise them. It is envisaged that an update of risks will be presented as part of the quarterly performance reporting system.

“Performance Plus”

To ensure that a consistent, accessible process is established a single IT system (with interfacing capabilities) will be used by the County Council to manage the LAA process. ‘Performance Plus’ will be used as the performance monitoring tool which will facilitate the Performance Management framework and is already employed by the County Council.

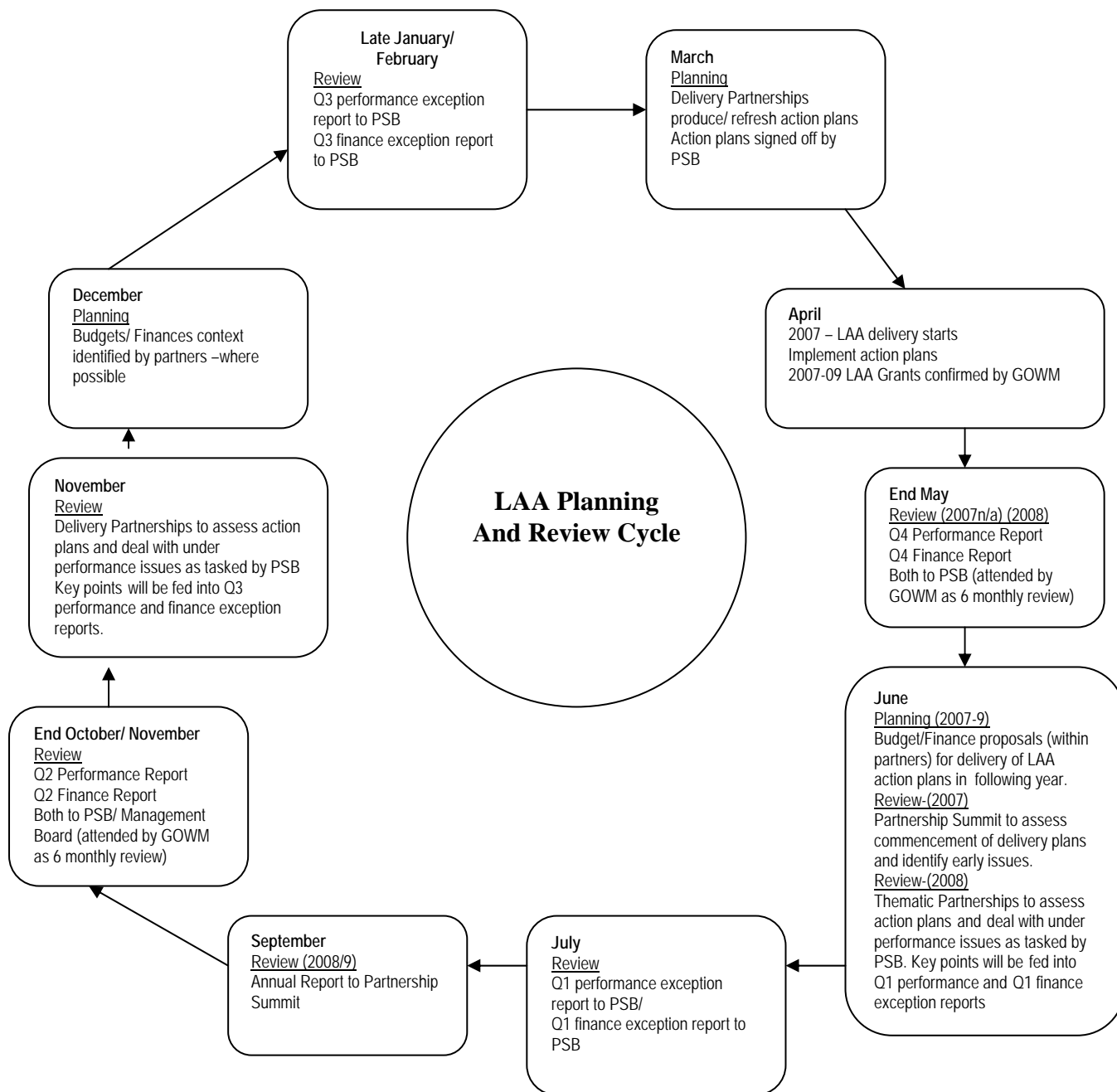
The benefits of using PerformancePlus to performance manage the LAA include:

- A single database and data entry point ensuring the integrity of the data wherever it is reported.
- Potential accessibility across all partnerships in terms of inputting information and viewing performance on-line.
- A clear and understandable way of structuring and reporting performance information to highlight the ‘golden threads’-from an over- arching aim to an individual performance measure.
- A reporting function that is simple to use and can present data in a consistent format that is based on exception and is not cumbersome.
- The ability to investigate the data thoroughly and associate it with the information about the action being undertaken to improve performance.

The model chosen is illustrated in the figure below. Whilst transitional arrangements will be required in the initial phases of the LAA, it is envisaged that eventually partners will manage their contribution to the collection process as well as having the capability to view reports on line. This will ensure that the framework is open, transparent and accessible to all those involved in the implementation of the Local Area Agreement.

For the system to work as outlined, work will need to be undertaken to set up the LAA on the system and make it accessible to partners (including training for users). Whilst it is recognised that a joint approach to the integration of planning cycles with performance management tools would assist in this area-it is appreciated by all partners that this will be achieved over time given the various differences in the structure and nature of respective organisations.

The LAA Cycle



From monitoring performance to managing performance

It has been noted in the introduction that a balance is being sought within the framework between robustness and flexibility. The importance of this approach is emphasised when dealing with performance management of the LAA particularly with the issue of quarterly reporting where measurements for outcomes have yet to be established. In addition to

these outcomes there are also those that do not lend themselves to such reporting (i.e. where results are yearly) and for which a series of proxy indicators may need to be established to enable an accurate appraisal of trends in relation to overall targets. It must also be appreciated that certain milestones within delivery plans will also require reporting to appropriate governance bodies but in a format that whilst different from indicator reporting still falls within the framework for performance reporting.

Whilst this need for flexibility is recognised, it is within the overall context of ensuring that the outcomes contained within the LAA are delivered. It is on this basis that the principle of four week reporting has been agreed by all partners-whereby performance information for any given quarter is examined within four weeks (maximum) of the data being available. Additionally there will be three stages to identifying and addressing under and over performance within the LAA:

Stage 1-Identification

- Under performance of any indicator (zero tolerance application) will be highlighted in the quarterly performance reports to the PSB

Action Required: The relevant lead will be required to identify and undertake remedial action.

Stage 2-Action

- Indicator performs below target for two quarters in a row and does not show a trend toward target levels.

Action Required: Lead officer will be expected to produce and deliver a detailed action plan in order to deal with the identified under performance.

Stage 3-Intervention

- Under-performance persists despite remedial action.

Action Required: The PSB will consider and implement further remedial action such as:

- Review in detail the underlying issues that are contributing to the under-performance.
- Review why existing remedial action has not worked
- If necessary. reallocate appropriate resource in order to deal with underperformance
- Consider and propose alternative solutions.
- For LAA targets- there will be a provision to invoke a change control process with proposed target changes through negotiations with GOWM and the 'annual refresh' process.

If, at any time, the performance in a particular area is of significant concern to the Board they will have the ability to fast track the above process. In seeking to address underperformance, the Board will seek to develop a supportive approach, which not only seeks to assist and advise partners where improvements are required but also commend and share good performance and best practice.