

# Report

## Cabinet

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### Part 1

Date: 23 May 2018

Item No: 6

**Subject** Performance Management Strategy

**Purpose** To present Cabinet with an updated version of the council's Performance Management Strategy

**Author** Head of People and Business Change

**Ward** All

**Summary** The performance management strategy supports the delivery of the council's corporate plan by driving a culture of accountability and maximising performance. The strategy emphasises that all employees contribute to the performance of the council through their day to day activities positively impacting the council's vision. However, the main focus of the strategy is the council's organisational performance in terms of achieving its planned objectives through well considered planning. The strategy sets a framework for planning that focusses on the aspirations of the corporate plan and sets out clear achievable actions within a specified timeframe, and a reviewing and revising process where progress and further actions are clearly monitored and communicated.

There are six main areas of focus in the Performance Management Strategy as outlined in the report: embedding a performance culture; maximising the council's performance; clear roles and accountability; improving data quality; open communication of goals and achievements; and development of the system to maximise its value

Progress against these actions will be reviewed on an annual basis and actions will be revised as necessary to ensure that our short term actions deliver the longer term objectives.

**Proposal** To endorse the performance management strategy

**Action by** Heads of Service, Performance Team

**Timetable** immediate

This report was prepared after consultation with:

- The Leader of the Council
- Chief Executive
- Strategic Directors
- Heads of Service
- Operational Performance Network

**Signed**

## **Background**

This revision of the council's Performance Management Strategy aims to embed a strong performance culture where everyone is aware of their contribution to the council's vision - Improving People's Lives. We intend to build on current success, and create an outcome focussed organisation that is committed to improving the social, economic, environmental and cultural well-being of Newport.

This strategy has been produced at a time of significant financial challenge within the public sector, the workforce and budgets must be carefully planned and managed to ensure that the council continues to deliver services to citizens and communities.

It is also a time of on-going political and legislative changes; and it is through risk management and well-thought out strategic planning that the work of the council will continue to provide improved outcomes for citizens and communities. The council also strives to ensure compliance with current legislation and any changes that may occur, in order to do this the council works closely with external regulators.

## **Legislation and Guidance**

The council is subject to duties under the local government measure 2009 and the Well-being of Future Generations Act 2015. Advice from the WLGA following consultation with the WAO and Future Generations Commissioner's office is that councils can meet their duties under both acts by integrating the requirements into one plan with one monitoring process.

The council's priorities must reflect the requirements of both Acts to ensure that the council maximises its contribution to the well-being goals for Wales, demonstrates continuous improvement and continues to deliver high quality services to local people.

People and Business Change are working with service managers to align the duties of both acts and integrate the monitoring and reporting frameworks. This joined-up approach to monitoring performance that supports the requirements for service planning, improvement planning and well-being objectives was agreed by Cabinet at their April 2018 meeting.

## **Performance Management Strategy**

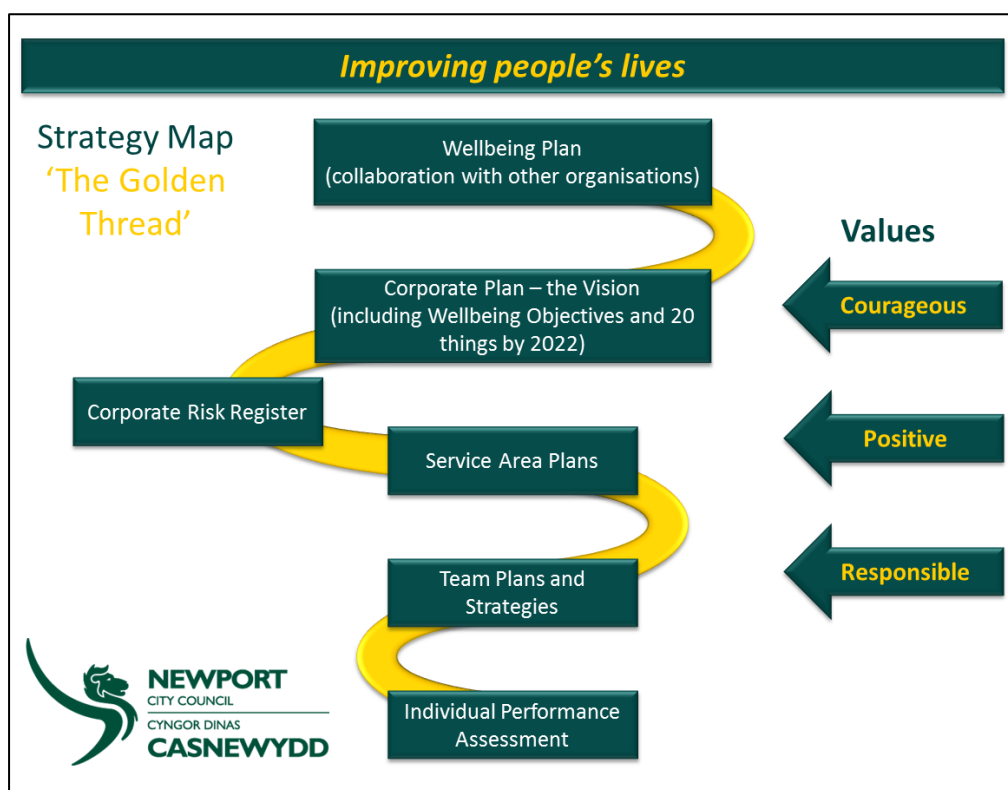
The performance management strategy provides a framework within which all these activities can be coordinated and support the delivery of the council's corporate plan.

The Performance Management Strategy has 5 main areas of focus:

1. Embedding a performance culture
2. Maximising the council's performance
3. Clear roles and accountability
4. Improving data quality
5. Open communication of goals and achievements
6. Development of the system to maximise its value

These are long term objectives which are supported by shorter term actions they will be reviewed on an annual basis and revisions made were necessary to ensure good progress is sustained.

This strategy includes a section that sets out how employee's individual performance is monitored and contributes to the achievement of the strategic plans of the council. The main focus of the strategy however, is the council's organisational performance in terms of achieving its planned objectives through well considered planning which sets out clear achievable actions within a specified timeframe, and a reviewing and revising process where progress and further actions are clearly monitored and communicated.



The strategic plans of the council and how employees contribute to them can be seen in the diagram above as outlined in the strategy.

### Financial Summary

None

### Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
That the strategy does not become embedded as part of the councils culture	M	L	This strategy is supported by the Leader of the Council and Chief Executive. The Performance Management framework includes regular monitoring of key objectives to ensure progress is made and that underperformance is addressed or mitigated.	Head of People and Business Change
Deterioration in performance and non-delivery of the objectives and ambitions of the corporate plan.	M	L	This strategy is supported by the Leader of the Council and the Chief Executive. The Performance Management framework includes regular monitoring of key objectives to ensure good progress is made and that underperformance is addressed or mitigated.	Head of People and Business Change

\* Taking account of proposed mitigation measures

## **Links to Council Policies and Priorities**

The performance management strategy supports the delivery of the council's Corporate Plan and wellbeing objectives and is linked to the Risk Management Strategy and People and Culture Strategy.

## **Options Available and considered**

1. To implement the revised Performance Management Strategy
2. Decide to not implement the revised Performance Management Strategy

## **Preferred Option and Why**

Option 1 is the preferred option; implementation of this strategy will strengthen existing arrangements and a culture of performance will become embedded where everyone is working towards the same goal, *Improving People's Lives*.

## **Comments of Chief Financial Officer**

There are no direct financial implications stemming from this report

## **Comments of Monitoring Officer**

There are no specific legal issues arising from the Report. The proposed Performance Management Strategy will provide a consistent framework for service planning, delivery and improvement and an integrated approach for monitoring compliance with both the statutory duty of continuous improvement under the Local Government (Wales) Measure 2009 and also the well-being principles of the Well-being of Future Generations (Wales) Act 2015. It provides a single, joined-up approach to performance monitoring and reporting, which ensures that all of these duties and objectives are consistent and properly aligned.

## **Comments of Head of People and Business Change**

There are no direct staffing implications as a result of this report.

As outlined in the report, the Performance Management Strategy underpins the well-being objectives which sit within the Corporate Plan, these maximise our contribution to the well-being goals for Wales. The performance management framework set out in this strategy helps to identify potential issues and risks that may prevent the council from achieving its objectives as well as actions to prevent them happening or getting worse.

## **Comments of Cabinet Member**

The Chair of Cabinet has been consulted and has agreed that this strategy goes forward to Cabinet for consideration.

## **Local issues**

No local Issues

## **Scrutiny Committees**

The views of scrutiny as outlined below have been taken into account when developing the strategy.

## **Minutes of the Meeting of the Overview and Scrutiny Committee, 22<sup>nd</sup> March 2018**

The Head of People and Business Change presented an overview to the Committee. It was explained that the aim with the strategy was to improve the organisation by implementing a performance culture. Despite financial constraints, the Council has always met its statutory obligations however it had got more difficult.

It was advised that the Performance Management System gives real time data to see how the Authority was doing. The Clear Review system moves away from the annual form appraisal to an online system to be used on a monthly basis which links staffs performance to the Council's performance.

The Committee were advised that the roles of all staff are important, but the role of the Scrutiny Committee was to critically look at how the Council were performing and making sure that the right things were being focused on.

The Committee asked the following:

- Did the strategy take into account the Council's new Wellbeing Plan? Members were told that the Improvement Plan would be scrutinised in the next round of Scrutiny Committee meetings and how the Council are performing against it. This will be the last year of the Improvement Plan as the Wellbeing Plan will be used going forward. The Officer informed the Committee that the Wellbeing of Future Generations Act impacts on practically everything in the Council, and the Performance and Policy Team lead the organisation on the Wellbeing of Future Generations Act, lots of work had been completed to integrate the data.

The Wales Audit Office had completed a report for the Wellbeing of Future Generations first year, which would be used in future audits to allow the Council to judge the performance of measures.

- Members asked if the Wellbeing Plan would maximise the Council's performance. Members were informed this was difficult to foresee, it would raise questions for Members and Officers on how the Council makes decisions, which may impact performance but will ensure statutory objectives are met. The Wellbeing Plan focuses on the long term and encourages preventative ways of working.

- Members discussed the Best Practice in Performance Management model, in particular "Transparent recognition of good performance and challenge of poor performance". It was asked how this would be applied with dwindling resources. Members were informed that the online system put in place for staff replaces the monthly 1 to 1's, which had previously been completed on paper forms. It allowed Line Managers and staff to set actions for the next month and to monitor progress against those actions. It allows anyone to give staff feedback, what had gone well or what needed to be developed. A demonstration of the system was then offered for the Committee to view.

Members were also advised that the Council had got better at understanding the cost of improving performance by analysing the worst performing measures.

- A comment was made that in the report there was no mention of how tasks would be evaluated. The Committee were told that there was a separate stream of work which looked at system analysis in services areas. The system analysis took a view on performance and how the service can be made better and more efficient. The Committee were informed that there could be a session made for a future meeting, during which the HR Manager could be invited to attend and discuss this section with the Committee in further detail.

- The Corporate Plan was discussed and comments were made about how the intentions were great but the reports given were hard to understand. It was then asked if data was easy to access with the user friendly system. The Committee were advised that in regards to the Corporate Plan there was an Annual Staff Conference that staff can attend to ensure they were aware of the visions of the Corporate Plan. It was then stated that the storage of data was more resilient as data goes on a cloud based system, and not held on the Councils servers. It was advised that there will be ongoing meetings with the Shared Resource Service to ensure the systems offer more resilience.

- What are the pressures for managers to have monthly meetings, and will they be used to improve the performance for staff? The Officer informed that after reviewing data it was found that the vast majority of managers were meeting with their staff once a month. A pilot scheme was created and feedback was used to create the system. The system provided direction to the manager's conversations with staff and helped assist staff members to hit their targets.

- Members enquired if the feedback left for staff was confidential, and if there was continuous evaluation for staff. Members were advised that there was a confidential record for each staff which was safeguarded by the Data Protection Act. Anyone was able to give feedback, which was also kept confidential.
- Members were advised of the best practice in Performance Management. Members suggested that the strategy comes back to the committee 12-18 months after being implemented.

## **Conclusion**

The Committee made a number of comments on the Performance Management Strategy;

- The Committee would like to receive more information on the results based evaluations and how they would work in practice.
- The Members were unclear about how the Performance Management Strategy links to the Corporate Plan.
- The Committee considered the ability to provide comment on anyone's performance in the organisation as a good idea, but they had reservations on whether it was open to abuse and would there be repercussions for misuse.
- The Committee wanted to know whether there would be an opportunity for anonymous staff feedback on the use and success of the Performance Management Strategy.
- The Committee were interested how the Performance Management Strategy would be implemented on the ground. They were particularly interested in how it would work with public facing staff and staff who work peripatetically. They requested that a report is presented from the Chief Executive on the Strategies success is fed back to the Committee in 12 – 18 months.

## **Equalities Impact Assessment and the Equalities Act 2010**

The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users. In exercising its functions, the Council must have due regard to the need to: eliminate unlawful discrimination, harassment, victimisation and other conduct that is prohibited by the Act; advance equality of opportunity between persons who share a protected characteristic and those who do not; and foster good relations between persons who share a protected characteristic and those who do not. The Act is not overly prescriptive about the approach a public authority should take to ensure due regard, although it does set out that due regard to advancing equality involves: removing or minimising disadvantages suffered by people due to their protected characteristics; taking steps to meet the needs of people from protected groups where these differ from the need of other people; and encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

## **Children and Families (Wales) Measure**

Although no targeted consultation takes place specifically aimed at children and young people, strategies and performance data are published, and are used to inform other engagement and consultation activity.

## **Wellbeing of Future Generations (Wales) Act 2015**

The Performance Management Strategy underpins the well-being objectives which sit within the Corporate Plan, these maximise our contribution to the well-being goals for Wales. The performance management framework set out in this strategy helps to identify potential issues and risks that may

prevent the council from achieving its objectives as well as actions to prevent them happening or getting worse.

An annual review will take place and revisions made where necessary, this will ensure the short term actions drive progress towards the longer term objectives. Working collaboratively within and across service areas will be the key to the success of this strategy, as such relevant stakeholders have been involved in the development of this strategy including the Leader of the Council, the Chief Executive, the Overview and Scrutiny Management Committee, the Corporate Management Team and the Operational Performance Network.

### **Crime and Disorder Act 1998**

Section 17(1) of the Crime and Disorder Act 1998 imposes a duty on the Local Authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area.

### **Consultation**

Consultees include the Scrutiny Committee as outlined in the report.

### **Background Papers**

Minutes of the Meeting of the Overview and Scrutiny Committee, March 2018

Cabinet Report: Performance Monitoring: Improvement Plan and Wellbeing Objectives, April 2018

Corporate Plan

Dated: 23 May 2018