

**REPORT FOR:            OVERVIEW AND  
   SCRUTINY COMMITTEE**

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**Date of Meeting:**            11 October 2010

**Subject:**                      Performance Management In Harrow

**Responsible Officer:**      Alex Dewsnap, Divisional Director  
   Partnership Development and  
   Performance

**Scrutiny Lead  
Member area:**                All areas

**Exempt:**                        No

**Enclosures:**                 None

**Section 1 – Summary and Recommendations**

With the abolition of Comprehensive Area Assessment and the Audit Commission and the expectation of a reduction in the National Indicator Set, this report provides the current thinking on the Council's approach to performance management. It sets out the current challenges that the Council faces from a performance perspective.

A presentation will be given at the Committee meeting expanding on the detail within the report.

**Recommendations:**

That:

- i) the Committee note the report; and
- ii) Members indicate the areas that they would like to have wider discussion on.

## **Section 2 – Report**

### **Introduction**

The performance environment for Local Government is going through its biggest change since the introduction of the Comprehensive Performance Assessment in 2002. This is coupled with a renewed focus on 'localism' and the need for Councils to have greater local accountability. In the light of the funding challenges that Councils will also face over the life of the current Parliament which it is expected will be set out in more detail in the Comprehensive Spending Review on 20<sup>th</sup> October 2010, the importance of good, robust performance management is becoming increasingly important. This report sets out the current challenges, both nationally and locally, and discussion from Scrutiny members is welcomed on these challenges.

### **Central Government Regulation**

#### ***Comprehensive Area Assessment***

The Comprehensive Area Assessment (CAA) was abolished in June and all field work associated with it has now stopped. The CAA covered all public sector partners within a locality and was made up of the following judgements:

- Area Assessment (not scored)
- Organisational Assessment (Council specific and scored)

The Organisational Assessment (OA) was made up of two specific elements:

- Use of Resources (scored against ten specific Key Lines of Enquiry – KLOE – like financial management, governance and workforce)
- Managing Performance

The OA was significantly impacted by the scores given by Ofsted and the Care Quality Commission for Childrens Services and Adult Services respectively. The OA was also supported by the National Indicator Set which included a number of performance indicators that were measured by regular surveys e.g. Place Survey, Active People and STATUS.

### **Future Proposals**

The following are the current expectations on the regulatory agenda:

- The annual processes with Ofsted and the Care Quality Commission (CQC) continue but are expected to be changed in the future.
- The Place Survey and STATUS survey have been abolished and some elements of Active People have been abolished. Local Authorities are being given discretion to continue gathering this data should they see a value in doing so, but are not now compelled to collect and report the data.

- The National Indicator Set remains as a basis for regular measurement and performance comparison with other Councils, but there are expectations that it will change significantly in the coming months.
- We expect Local Area Agreements to be stopped as a means of Government tasking localities against national priorities.

### **Performance Management in Harrow**

The Performance Management process at Harrow is based on the following process:

- Regular monitoring of performance indicators (weekly, monthly, quarterly, annual depending)
- Quarterly improvement boards;
- Quarterly Corporate Strategic Board performance morning;
- Quarterly reporting to Cabinet, through the Strategic Performance Report;
- Regular review and challenge through the Performance and Finance Scrutiny Sub-Committee

The Improvement Board cycle considers the following set of performance information:

- Performance indicators:
  - Directorate scorecard performance vs targets
- Project delivery (inc Flagship Actions):
  - Project reporting on Flagship Actions and major projects
- Financial performance:
  - Quarterly financial forecast
  - Forecasting compliance
  - Forecasting quality
- Workforce performance:
  - Sickness
  - Appraisals
  - Capability cases
  - Agency spend
  - Starters and leavers
  - Workforce Representation
- Risks:
  - Quarterly risk register
- Customer Performance:

- Complaints numbers, timescales to respond, number upheld, lessons learned
- Customer Relationship Management (CRM) information on call volumes, avoidable contact, first time resolution
- Customer service standards

### ***Changes to Harrow Performance Management Post CAA***

After the abolition of CAA the following elements of the performance management process have changed:

- Projects that were designed to fill gaps against the Key Lines of Enquiry within the Use of Resources element of CAA have been reviewed to evaluate whether they should still be pursued. This has been relatively straightforward to evaluate
- Performance indicators which are part of the National Indicator Set that will now be dropped will be evaluated to see whether they are worthwhile measures of the outcomes important to the Council and residents and should therefore be continued

### **Issues to Consider**

The Council's performance process has large elements that are good effective performance management and are not in place to meet a regulatory need. The main issues therefore that will arise are with the expected reductions in mandatory performance indicators. The issues are as follows:

1. The loss of a steady set of indicators with historic data that can be easily benchmarked against other Councils. It takes at least three years to bed in a new set of indicators:
  - a. Time for Government to define
  - b. First year of measurement and base-lining
  - c. Time to create comparable information
  - d. Time to understand trend (particularly for annual measures)
2. The opportunity to create more local indicators that measures local outcomes that are important
3. The loss of a public survey to measure satisfaction and perceptions of area / services
4. Real uncertainty with Childrens and Adults on future of performance measurement and inspection
5. An evolving agenda with regional and national agencies which may look to create performance regimes – a number of bodies e.g. Local Government Improvement and Development (formerly IDeA), London Councils, Capital Ambition are re-evaluating their own roles going forward. For instance, the LGA Group have already launched a consultation on the future of inspection, and proposing a sector led

regime, supported by Local Government Improvement and Development.

### **Financial Implications**

None arising from this report.

### **Environmental Impact**

Not applicable to this report.

### **Risk Management Implications**

Not applicable to this report.

### **Corporate Priorities**

Robust performance information is important in helping to measure the delivery of the Council's Corporate Priorities.

### **Section 3 - Statutory Officer Clearance**

Not required.

### **Section 4 - Contact Details and Background Papers**

**Contact:** Alex Dewsnap, 020 8416 8250

**Background Papers:** none