

PERFORMANCE MANAGEMENT

1. Background

From April 2009 there will be a new inspection regime in place, the Comprehensive Area Assessment. This will look at the prospects for local areas and the quality of life for people living there, and assess effective local partnership working. Local Area Agreement (LAA) performance will be central to this.

The Haringey Strategic Partnership (HSP) has decided to implement a new consistent performance management system across all six theme boards to ensure that activity, performance and finance are clearly aligned to the delivery of the LAA targets. The performance management system aims to be the principal method of measuring progress and ensuring value for money.

Clive Jacotine, a management consultant with extensive experience of LSPs, was commissioned to produce guidance for themes on roles and responsibilities and assist in identifying lead officers. Following workshops with mainly finance and performance monitoring staff, an outline process was developed for themes to use. Thematic guidance was then tested with groups from Well-Being and Safer Communities, and some changes made, along with further meetings to refine detail. A number of longer term changes and support have been identified.

2. Basic Elements of Performance Management

The Audit Commission has suggested that performance management is broadly about turning ambition into delivery. More specifically it suggests that it is taking action in response to actual performance to improve the outcomes for users.

There is a consensus about the need to properly distinguish performance monitoring (measuring what we do) from performance management (changing what we do), and place a much greater emphasis on the managerial role and taking action to improve outcomes. It is helpful to distinguish four different elements of the performance management function:

- **Source** – provides and inputs data.
- **Monitor** – collates data and reports results
- **Analyst** – analyses results and explains trends
- **Manager** – makes decisions and takes action

3. The Task for Themes

Themes must now performance manage against the targets in the LAA for which they are individually responsible, using the newly developed arrangements. The need for specialist analysis and managerial ownership means that in general primary responsibility for carrying out performance management must lie directly with themes, and not with a corporate function. Their findings will then be reported on to HSP through the Performance Management Group (PMG). This will start with the results from the first quarter of 2008-09 (April-June).

The new Area Based Grant (ABG) has been allocated to Theme Boards in 2008/09 to support delivery of the LAA outcomes. Each Theme Board is therefore responsible for ensuring that the allocated funding is properly accounted for with spending based on agreed activity and programmes and verifiable through sound financial practice and procedures. Audit control issues previously identified will need to be addressed, in line with the recommendations of Haringey Council's Internal Audit report.

4. The Task for PMG

PMG is the body effectively charged by the HSP with the overall performance management of the LAA. For most LAA targets this means ensuring that Theme Boards have effective performance management arrangements in place and these are robustly operated in a timely way. For those LAA targets which are of a truly corporate nature, PMG will have the direct responsibility for carrying out performance management. (This will not include cross-thematic targets where one specific theme has the designated lead responsibility).

PMG also has the responsibility for looking at performance across all the LAA targets and to consider overall trends, and to identify where further analysis or joint working may be required. For instance some issues or initiatives may impact on a range of thematic areas, e.g. teenage pregnancy, school attainment, NEETs and young people entering the criminal justice system.

PMG is responsible for reporting back to HSP, providing assurance that effective performance management is in place, highlighting critical issues and where appropriate making recommendations such as improved ways of working, further commissions or re-allocation of ABG.

5. The Outline Performance Management Model for Themes

From the workshops carried out, some key principles for the performance management arrangements are apparent.

5.1 Consistency

Individual partner organisations can be involved in a number of thematic areas as well as the HSP itself. Consistent performance management processes and reports across themes will help HSP to have clear oversight of the LAA and support effective performance management.

It is important that so far as is reasonably practical, the performance management arrangements for individual partner organisations, particularly public agencies, are compatible with HSP's. Targets and data used should also be consistent between partners and the LAA. A common (or compatible) IT system in use for performance management will help.

5.2 Timeliness

Most targets will be performance managed quarterly by themes, and the core performance management system will be based on this. However some performance information may be considered at partner level monthly or more frequently, and others annually (e.g. educational qualifications attainment). Every theme needs to determine the appropriate frequency against each of its own LAA targets, with guidance from the Council's corporate Performance Management Team.

To be effective it is important that the themes are able to consider the results as quickly as possible once the data is available. A standard deadline of four weeks has been set for collating performance monitoring information, with an exception report for themes being ready to be sent out one week later. The deadline for HSP/PMG report is one further week later, as this report will mainly be drawn up by collating information from the individual theme reports.

To use the monitoring information effectively, themes need to have a mechanism to formally review performance against targets 6-8 weeks after the end of each quarter. This mechanism does not need to be the Theme Board itself, and some themes already have embryonic structures suited to this task, as the HSP has the PMG. Whatever the thematic mechanisms, PMG needs to satisfy itself that there is a clear schedule of meetings set up throughout the rest of the financial year which is aligned with the performance management timescales.

Partner organisations should agree to align their own timescales for performance management as closely as possible with HSP's, and to use data consistent with that used by HSP. This may require some changes to current practices.

5.3 Standard Reporting Arrangements

The basic performance management model should be consistent across all themes, using standard presentation formats. A shared IT platform for performance management which interfaces with partner IT systems and avoids duplication of effort (e.g. inputting data and automated report formats), will greatly assist.

It is important that themes have strategic oversight of performance results. This means that while key information has to be presented, unnecessary detail must be avoided. (Detailed scrutiny is the responsibility of Delivery Managers and Commissioning Managers, reporting to designated members of Theme Boards.)

There is now a standard dashboard report format for all themes to complete and use. This has the following elements in a single page format:

- Performance against agreed targets
- Expenditure against profiled budgets

All performance management reports must be simple, clear and strategic. The dashboard should provide the minimum information needed for themes to be able to assess overall performance. In addition there will be a covering report, called an exception report. This will briefly summarise successful performance but most importantly will highlight where targets are not being met, explain reasons and detail what action is being taken to improve performance and what further decisions are required. This is the critical consideration for themes in their strategic role.

There are a variety of targets being considered by themes. HSP's overriding concern will be those within the LAA. Some themes (e.g. Well-Being) have also agreed jointly funded schemes or joint working, and will want to include these in their own thematic performance management reports.

HSP will monitor overall expenditure of Area Based Grant (ABG), even where a commission or intervention is also partly funded by mainstream funding. Themes will also monitor expenditure for any other work they commission or joint working they agree.

Monitoring projects has been less strategic, largely because of the historical way in which they were developed - a national tendency for those areas in receipt of Neighbourhood Renewal Funding (NRF). Typically NRF projects were many in number, centrally monitored and not commissioned through an evidence-based needs assessment. There is now an expectation that with ABG there will be relatively few commissions (albeit some commissions may comprise a number of smaller interventions) based on clear evidence of need and what will work, and mainly agreed through thematic structures. Individual commissions should be

performance managed at theme level only (although financial monitoring of ABG will also be monitored by PMG/HSP).

As full commissioning arrangements are not due to take effect until 2009-10, in the interim all existing projects originally funded through NRF will be performance managed by the appropriate theme where relevant. Only those projects of a truly corporate nature will continue to be monitored by PMG.

As individual projects do not generally operate at a strategic level, and may not be directly related to LAA outcomes, project monitoring information will now be reported on a separate schedule to the dashboard. Only full commissions should be reported on the dashboard itself (from 2009-10 it is unlikely that individual projects will continue to be funded by ABG except as part of a larger commission).

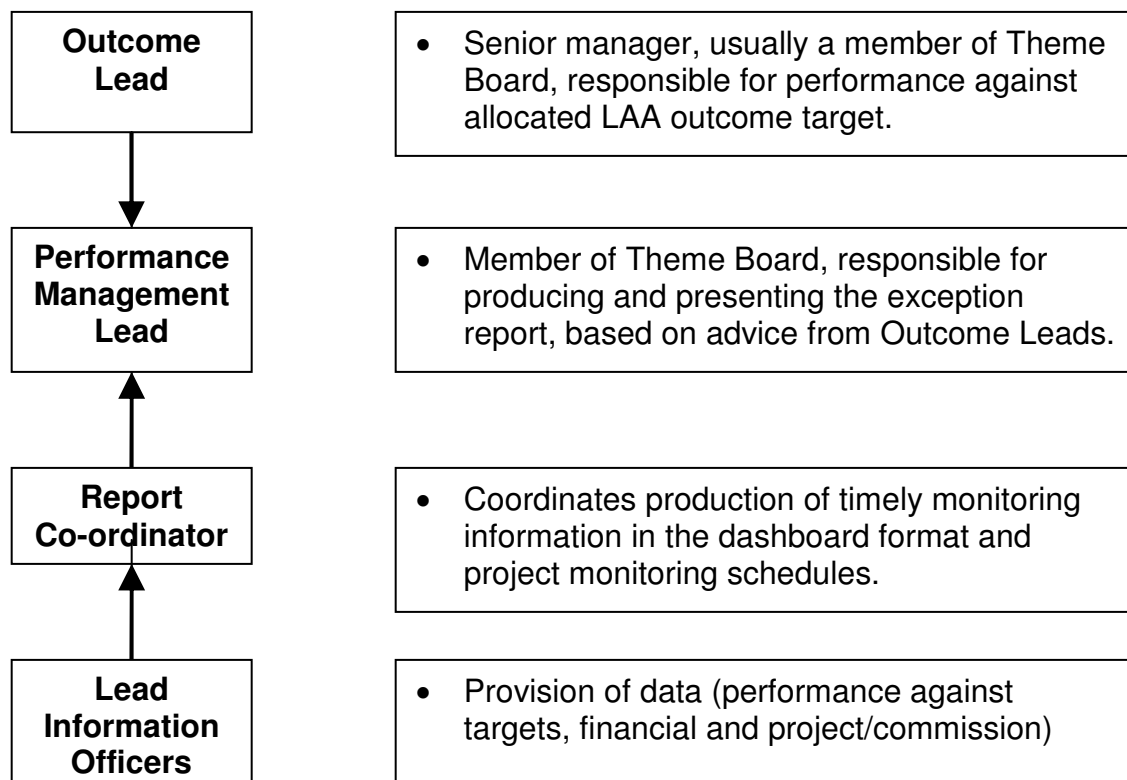
5.4 Explicit Roles and Responsibilities

The Well-Being and Safer Communities Themes have reasonably developed arrangements for performance management. Like HSP itself, which has the Performance Management Group (PMG), these two themes have similar (if embryonic) executive sub-groups which can take the main thematic responsibility for overseeing performance management. However there will have to be some rationalisation of thematic sub-group structures for this to be effective. This approach is recommended for all themes, although this may require HSP to better define the remit for the Theme Boards so their role is clear and consistent. As previously discussed PMG may want to identify suitable performance indicators for Theme Boards to make their own self-assessments of effectiveness. This will assist in managing a focused and strategic agenda.

Where LAA targets are cross-thematic, there is a menu of options to choose how to performance manage:

- To appoint a lead theme.
- Use a cross-thematic sub-group reporting to a lead theme (for instance an Environment sub-group might be linked to Safer Communities, Better Places and Integrated Housing).
- Appoint PMG to performance manage on HSP's behalf.

Set out below is a break down of roles and responsibilities for performance management within themes. Appendix A sets out the probable links between performance management functions and the designated roles, and Appendix B the named individuals identified by each theme for the designated roles, although some individuals may carry out up to two roles. The Performance Management Lead should keep the list of named individuals up-to-date.



6. Embedding Performance Management

There needs to be clear communication across HSP's family of partnerships about the importance of effective performance management, and the priority that will be given to it. It will be a key factor in determining how ABG will be spent. This message needs to be cascaded through partner organisations too.

This approach to performance management, with an overriding concern about delivery and changing outcomes for local people, may require a significant cultural shift for many people. As well as running presentations for key staff, other learning options should be considered such as action learning sets. A cross-organisational approach would support better partnership working.

Given the development of the new commissioning approach, it is important that it fully incorporates the performance management model outlined here. Any mismatch needs to be addressed before commissioning is fully implemented.

The new powers for local authorities to scrutinise LAA targets could support performance management providing there is a joint understanding with the HSP to ensure the role of scrutiny is clear and adds value. Possible approaches include the Overview & Scrutiny Committee identifying lead members for each theme's work, and for each theme to make an annual presentation to the Committee.

7. Key Recommendations

- 7.1 Confirm thematic responsibilities for performance management as outlined in Section 3, including performance managing designated LAA targets and the spend of allocated ABG.
- 7.2 Confirm PMG's responsibilities as outlined in Section 4.
- 7.3 Clarify the remit of thematic boards and identify suitable performance indicators for self-assessment.
- 7.4 Theme Boards to determine their sub-group structure for performance management and ensure that the meeting schedule is aligned with the performance management timescales.
- 7.5 Partner organisations to align their own performance management arrangements with that of HSP so far as is reasonably possible.
- 7.6 HSP and the Council to agree how the Overview & Scrutiny Committee will support performance management of the LAA.
- 7.7 Encourage common and compatible IT systems for performance management.
- 7.8 Confirm that from 2009/10 ABG-funded projects will be expected to be subject to a strategic commissioning approach which fits with the new performance management arrangements.
- 7.9 Ensure a clear message to HSP's family of partnerships and partner organisations about the importance of effective performance management, and the priority that will be given to it.

8. Acknowledgements

The development of these performance management arrangements has been in large part due to the contributions of those staff who took part in the workshops and associated meetings, and in particular the willing commitment of some individuals to the challenge.

The HSP Partnership Team for their organisation of workshops and meetings.

Clive Jacotine
Neighbourhood Renewal Advisor

LINKAGES BETWEEN FUNCTIONS AND ROLES

<p>Source – provides and inputs data.</p>	<p>Lead Information Officers – The timely provision of performance, financial and project data.</p>
<p>Monitor – collates data and reports results</p>	<p>Report Co-ordinator – The co-ordinator coordinates the production of monitoring information in a dashboard format along with associated project monitoring schedules.</p>
<p>Analyst – analyses results and explains trends. See footnote below.</p>	<p>Performance Management Lead – This member of the Theme Board will have the overall responsibility for producing and presenting the exception report for the theme, based on analysis of the dashboard and project monitoring schedule, and the advice of designated Outcome Leads.</p>
<p>Manager – makes decisions and takes action</p>	<p>Outcome Lead – Each LAA outcome target should have an identified lead, who will usually be a member of the appropriate Theme Board (or HSP if it is taking the primary responsibility for a cross-thematic outcome). The Outcome Lead may nominate a Delivery Manager or Commission Manager to be directly responsible for delivery and carrying out detailed performance monitoring. The Outcome Lead will retain responsibility for accounting to the theme for performance against their LAA outcome target, and any associated budget or commission. They will ensure the Performance Management Lead (see below) has the appropriate information for the exception report.</p>

Footnote

Where analysis is straightforward, it can be done by the Outcome Lead or the Performance Management Lead without the need to involve other specialists. However sometimes the factors behind trends will be very complex and specialist advice and input may be necessary (e.g. changing demography, lifestyle choices, and groupings of individual factors). Issues like teenage pregnancy, morbidity, long-term unemployment often have a complex set of causes or factors where expert analysis is important.

APPENDIX B

KEY THEME PERSONNEL FOR PERFORMANCE MANAGEMENT

Theme	Key Working Sub-Group	Outcome Leads	Performance Management Lead	Report Coordinator	Lead Information Officers
HSP (Corporate)	PMG	<i>HSP</i> - Sharon Kemp	Eve Pelekanos	Catherine Cobb	Mike Browne/ Janette Wallace-Gedge Sean Burke Mary Connolly Susan Humphries Pamela Pemberton (HAVCO)
Well-Being	Well-being Chair's Executive (chaired by Eugenia Cronin)	<i>Council</i> - Margaret Allen John Morris Marion Morris Mun Thong Phung Lisa Redfern <i>TPCT</i> - Tracey Baldwin Vicky Hobart <i>Fire Brigade</i> – John Brown	Sarah Barter Catherine Brown	Helen Constantine	Sarah Barter, Helen Constantine, Roger Hampson, Yvonne Webb, Pauline Carter
Safer Communities	Merged SCEB PMG and RCG (Resource Co-ordination Group)	<i>Police</i> - Ch Supt Dave Grant <i>Council</i> - Sharon Kemp <i>TPCT</i> - Tracey Baldwin	Jean Croot, Supt Nick Simpson	Claire Kowalska, Sean Sweeney	Leo Kearse, Peter De Bourg, Gillian Postlethwait

Better Places	tba*	Council - Jo David	Kate Dalzell	Kate Dalzell	Catherine Humphrey, Denis Lai-Kit, Ajit Sohi
Children & Young People	CYP Advisory Board	Council - Sharon Shoesmith TPCT - Tracey Baldwin	<i>(Be Healthy)</i> - Jan Doust & Claire Wright <i>(Stay Safe)</i> – Cecilia Hitchen <i>(Enjoy & Achieve)</i> - Janette Karklins <i>(MPC)</i> - Jennifer James <i>(AEW)</i> - Janette Karklins	Patricia Walker	Avi Becker, Christine Jorge, Lorraine Tisseverasinghe
Integrated Housing	tba *	Council - Phil Harris	Althea Mitcham	Althea Mitcham	Denis Lai-Kit Ajit Sohi
Enterprise	tba *	Council - David Hennings JCP - Walter Steel	Karen Galey Martin Tucker	Ambrose Quashie Patrick Jones	Ambrose Quashie Ajit Sohi

tba* - to be advised