

Subject:	City Performance Plan & BHCC Organisational Health Report		
Date of Meeting:	14 July 2011		
Report of:	Strategic Director, Resources Strategic Director, for Place		
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Key Decision:	No		
Wards Affected:	All		

FOR GENERAL RELEASE**1. SUMMARY AND POLICY CONTEXT:**

1.1 In response to the council's restructure and changing requirements from Central Government the performance and risk management framework for the organisation has been reviewed and changed. In developing the approach lessons have been learnt from the previous national requirements ensuring these new arrangements focus on meeting local priorities and making a difference to residents and the city. The principal changes to the new framework are that it is:

- based on how we can best support delivery of the city's outcomes
- brings risk and performance management together
- has a clear 'golden thread' through from staff performance reviews to the city's Sustainable Community Strategy

1.2 This report provides an overview of the Performance and Risk Management Framework (PRMF) and presents the City Performance Plan and the Organisational Health Report.

2. RECOMMENDATIONS:

2.1 That Cabinet notes the new Performance and Risk Management Framework for the council.

2.2 That Cabinet endorses the City Performance Plan and recommends it to the Public Service Board (PSB) for final agreement.

2.3 That Cabinet approves the Organisational Health Report as being an appropriate suite of indicators to support the Strategic Leadership Board's management of the organisation.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

3.1 Performance and Risk Management Framework

3.1.1 The component parts of the Performance and Risk Management Framework (PRMF) are:

- Sustainable Community Strategy
- City Performance Plan
- BHCC Corporate Plan
- Strategic Risk Register
- Service Delivery Performance Compacts
- Team Business and Risk Management Plans
- Individual Performance Reviews (all staff)

A summary of the PRMF is provided in Appendix 1.

3.1.2 The changes to the city and the council's Performance and Risk Management Framework (PRMF) centre on the following two new key areas:

- **City Performance Plan:** This plan reports on how the city is doing in terms of achieving its key objectives. Previously, the city and Central Government used the Local Area Agreement (LAA) as a tool to measure its performance on city issues. Following the abolition of the LAA by the Coalition Government the city has taken the opportunity to generate a new much more localised and outcome driven performance plan. The new City Performance Plan is led by the priorities and outcomes defined in the Sustainable Community Strategy (SCS) which was refreshed in 2010. The plan will measure and report against indicators that demonstrate if the Strategic Partnership is achieving change on the outcomes as set in the SCS.
- **BHCC Organisational Health Report:** This plan reports on how the organisation is doing in terms of key measures around our finance and general organisational management, our workforce and meeting the needs of our customers. The city council Organisational Health Report (OHR) therefore sets out a suite of indicators that will support the Strategic Leadership Board in its management of the organisation.

3.1.3 To improve performance, reduce risk and eliminate duplication the new framework has integrated both risk and performance management. As part of this the Strategic Risk Register has been aligned with the new organisational structure and integrated with each part of the performance management framework.

3.1.4 The business plan template has also been amended to reflect the council's new structure and the new performance and risk management framework.

3.2 City Performance Plan

3.2.1 The City Performance Plan will be the main mechanism by which the Strategic Partnership will monitor and manage the city's performance against the

outcomes defined in the Sustainable Community Strategy. The Plan is provided in Appendix 2.

- 3.2.2 Where appropriate, and locally relevant, indicators from the 2008-11 Local Area Agreement (LAA) have been used in order to continue to measure these trends. However, it has also been an opportunity to discard any indicators from the National Indicator Set that were not considered useful or relevant. Targets will be set by attaching statutory targets where these exist. In other cases trend data from previous years will form the basis for new targets. These will be agreed in conversation with thematic partnerships and partner organisations.
- 3.2.3 The plan will be reported to the Strategic Partnership, the Public Service Board, Cabinet and Overview and Scrutiny Commission every six months. Once targets are attached to the Plan it will be returned to Overview and Scrutiny Commission.
- 3.2.4 There is no financial reward attached to the City Performance Plan. The Strategic Partnership is not required to report progress against the plan to Government.
- 3.2.5 The city council is leading the development of the Plan on behalf of the Public Service Board and Strategic Partnership. Each thematic partnership submitted its content for the plan as have officers from B&HCC and partner organisations. The Public Service Board and the Strategic Partnership will give final approval to the plan.
- 3.2.6 The Plan will be reviewed and updated annually as new intelligent commissioning work takes place.

3.3 BHCC Organisational Health Report

- 3.3.1 The council's organisational health report builds on similar reports from previous years and is provided in Appendix 3. The full suite of indicators for 2011/12 has been built following discussions with officers from across the council in Resource, Finance, Delivery and Commissioning Units. Through these discussions the indicators have been reviewed and challenged to ensure that they are robust and meaningful and will produce progress reports that help Strategic Leadership Board and the Corporate Management Team (CMT) manage the organisation. The set will change as needs demand but it is felt that the number of indicators monitored is about right and should not increase significantly. Targets will be set by attaching statutory targets where these exist. In other cases trend data from previous years will form the basis for new targets. These will be agreed with Lead Commissioners, Heads of Delivery Units, Finance and Resource Units as appropriate.
- 3.3.2 Together all 40 indicators demonstrate how the organisation is performing, however 24 have been prioritised for 2011/12. It is envisaged that through the year as performance is monitored, reported and managed the indicators prioritised may change. Progress reports on priority indicators will be considered by SLB monthly and reports on the full suite of indicators will be reported every six months to Cabinet and Overview & Scrutiny.
- 3.3.3 We are currently working on the inclusion of further indicators for sustainability, equalities and B&HCC salary ratios.

4. CONSULTATION

- 4.1 Each thematic partnership was responsible for contributing and confirming the outcomes and indicators for their relevant parts of the City Performance Plan. In addition, BHCC Lead Commissioners and Heads of Delivery were given opportunity to contribute and clarify the outcomes and indicators relevant to their responsibilities. Discussion was also held with the Third Sector Reference Group for Intelligent Commissioning and the three political groups within the council. The Plan was also discussed at the June meeting of the Overview and Scrutiny Commission.
- 4.2 All members of the Corporate Management Team were given the opportunity to comment on the indicators for inclusion in the Organisational Health Report. In addition, individual meetings were held between the corporate performance team and officers across Resource and Finance Units to challenge and clarify the indicators for inclusion in the OHR. All three political groups within the council also had opportunity to comment on the OHR. The OHR was also discussed at the June meeting of the Overview and Scrutiny Commission.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The Performance & Risk Management Framework supports the identification of all potential financial impacts of risks which can then be reflected in medium term financial plans and budget strategies; these are continually updated to reflect changing assumptions and likelihood of risk. The performance measures within the Organisational Health Report and City Performance Plan will enable progress during the year to be reviewed with strategic partners.
- 5.2 The council's Section 151 Officer also has regard to risk assessments in developing the medium term financial strategy and budget strategy. Section 25 of the Local Government Act 2003 requires the Chief Finance Officer of a local authority to report on the robustness of the estimates included in the budget and the adequacy of the reserves and contingencies for which the budget provides.

Finance Officer consulted: Anne Silley Date: 01/06/11

Legal Implications:

- 5.3 There are no legal implications arising from this report. Local Area Agreements and the National Indicator Set were abolished in October 2010. Everything that Local Authorities are required to provide to Central Government is now contained on the Single Data List which individual service areas collate and provide with support from the Performance Team.

Lawyer consulted: Elizabeth Culbert Date: 06/06/11

Equalities Implications:

- 5.4 An underlying principle of the city performance plan is that it focuses on the significant issues for the city, some of which are about tackling the inequality experienced by of our residents.

- 5.5 The council's organisational health report includes equalities indicators. These have been advised and recommended by the commissioner for equalities and communities.

Sustainability Implications:

- 5.6 The City Sustainability Partnership contributed to the sustainability outcomes and indicators for inclusion in the City Performance Plan. These are most notable in the section 'Living within Environmental Limits'. However, as reported in the Sustainable Community Strategy sustainability issues are embedded across the strategy's priorities and as such are reported across various parts of the City Performance Plan i.e. transport and the economy.
- 5.7 The BHCC Organisational Health Report includes specific sustainability indicators that will measure the organisation's performance on sustainability. These have been advised by relevant officers in the Finance and Resource Units. We are currently exploring the inclusion of further indicators for sustainability.

Crime & Disorder Implications:

- 5.8 The City Performance Plan includes a specific section on outcomes and indicators for crime and disorder. These have been suggested and confirmed with the Crime and Disorder Reduction Partnership.

Risk & Opportunity Management Implications:

- 5.9 Accompanying the City Performance Plan a city risk register has been developed.
- 5.10 Appropriate risk and opportunity indicators have been included in the BHCC Organisational Health Report as advised and recommended by the council's risk and opportunity manager.

Corporate / Citywide Implications:

- 5.11 The City Performance Plan is a partnership document. It is owned by, and the responsibility of, the Local Strategic Partnership and the Public Service Board. Therefore, CPP progress reports have implications for all public sector partners in the city.
- 5.12 Performance reporting on the council's Organisational Health Report will have specific implications for the council's target operating model as well as for specific teams within Resource and Finance Units as well as Delivery Units and the Commissioning Unit.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 Through consultation with CMT and SLB the proposed Performance and Risk Management Framework is deemed to be the most suitable model.

- 6.2 Possible alternative options to developing the City Performance Plan included not developing a plan. This was deemed unsafe and unwise by the PSB.
- 6.3 Possible alternative options to developing an Organisational Health Report for the council included not developing a plan. This was deemed unsafe and unwise by the Corporate Management Team.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 The council needs to ensure that it has a robust performance and risk management framework that meets the needs of the new structure and model of working.
- 7.2 As the council is one of the key and lead organisations of the Public Service Board and Strategic Partnership Cabinet is recommended to endorse the City Performance Plan to demonstrate the council's commitment and co-operation to performance management of city issues.
- 7.3 Cabinet is recommended to endorse the Organisational Health Report to ensure the council has an up to date, robust and relevant set of measures for monitoring and managing the organisation's performance as a whole.

SUPPORTING DOCUMENTATION

Appendices:

1. Performance and Risk Management Framework Summary
2. City Performance Plan 2011/12
3. BHCC Organisational Report 2011/12

Documents In Members' Rooms

None

Background Documents

None