



**Performance and Finance
Select Committee**
12th September, 2006

**Report from the Director of Policy
and Regeneration**

For Action

Wards Affected:
ALL

Overview of Performance Management in Brent

1.0 Summary

1.1 This report provides Members of the Performance and Finance Select Committee with an overview of the performance management arrangements currently operating within Brent and an outline of the regular performance data and information that will be presented to the committee during the year. It covers the following issues:-

- The terms of reference for the Performance and Finance Select Committee
- Performance management within Brent
- Performance management documentation.
- The core work programme and developing a future work programme.

2.0 Recommendations

Members of the Finance and Performance Select Committee are recommended to:-

- 2.1 note the contents of this report with regard to the Council's current performance management arrangements and priorities.
- 2.2 make proposals on the performance issues that they would wish to consider within the future work programme of this Committee.

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3.0 Detail

The terms of reference for the Performance and Finance Select Committee.

3.1 The Performance and Finance Select Committee was initially established in 2003 in order to provide a forum for detailed Member scrutiny of council-wide performance. Since that time the Committee has engaged in a range of Scrutiny activities including:-

- Regular reviews of performance data and questioning of officers and Executive Members on plans for improvement.
- Detailed investigations of key performance issues prompted by analysis of performance data.
- Regular reviews of the performance of priority contracts and questioning of contractors.
- Monitoring of the Council's financial position and performance.
- Monitoring of the Council's Annual Audit Plan and internal audit arrangements.

3.2 Following the election of the new Administration and the findings from the recent Audit Commission Corporate Assessment the cross-party Constitutional Working Group has been reviewing the Council's Scrutiny Structure. Based upon the previous value and impact that the Performance and Finance select Committee brought to Scrutiny within the Council it has been agreed that the Committee should continue and that the existing terms of reference should be retained with the exception of the responsibility for scrutiny of audit activities.

3.3 The Constitutional Working Party has recommended that a separate Audit Committee is established to cover this area. The reasons for this are that the work load of the Performance and Finance Select Committee had become large and unsustainable with the inclusion of audit work. Also the criteria for our 'use of resources' judgement requires specific audit scrutiny that could not be accommodated within the work programme.

3.4 The existing terms of reference for the Performance and Finance Select Committee are attached for reference at Appendix A, although these will be subject to minor amendment by Full Council following agreement of the final Scrutiny Structure and the establishment of the Audit Committee.

Performance Management in Brent

3.5 Creating effective performance management procedures and a culture of continuous improvement has been and remains a top priority for the Council. Since 2002 the Council has sought to drive-up the performance of its core services, through an integrated approach of robust target setting, accurate data collection and sound service planning. This has been supported by training and development that provides staff with the right skills to deliver the Council's corporate and service objectives and actions to achieve greater value for money.

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- 3.6 This approach has been successful with 79% of all the Council's statutory performance indicators showing improvement over the past two years and the Council's performance under the national Comprehensive Performance Assessment (CPA) now being rated by the Audit Commission as a strong '3 stars' and 'Improving well'. This rating demonstrates the considerable improvements in performance that have been achieved and places the council amongst the higher performing local authorities nationally.
- 3.7 A key element in this success has been the role Members have taken providing a focus on performance issues through challenging scrutiny, holding both officers and the Executive to account for improvements in service delivery.
- 3.8 While these Council-wide improvements in performance are welcome, there is no room for complacency and indeed the evolving nature of public services demands that we are constantly seeking innovative ways of meeting service user's needs in an efficient and effective way. Improving the sophistication of our performance management techniques enables the Council to better meet that challenge, ensuring we continue to raise both the standard of local services and secure maximum impact from our available resources.
- 3.9 In order to achieve these objectives the Council uses a number of performance management frameworks to drive improvement and assess our performance. These performance regimes provide a framework for developing services, however they do not define the objectives and priorities, the Council sets these itself derived from the Corporate Strategy and standards for statutory services. The most significant performance framework is the Audit Commission's Comprehensive Performance Assessment, which places all local authorities into one of four performance categories with 4 stars being the highest.
- 3.10 Brent Council's CPA rating is comprised of scores for three elements:-

- The six service block assessments – These are refreshed on an annual basis using performance data and self assessment material. The service blocks are:

	Current Score
1. Children and Young People (Assessed by the Joint Area Review – January 2006)	3 out of 4
2. Adult Social Care (Assessed by CSCI)	3 out of 4
3. Housing (Assessed by Audit Commission)	3 out of 4
4. Environment (Assessed by Audit Commission)	2 out of 4
5. Culture (Assessed by Audit Commission)	3 out of 4
6. Benefits (Assessed by the BFI)	3 out of 4

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- Our use of resources score – assessed annually by PwC in collaboration with the Audit Commission and currently rated 3 out of 4.
- The Corporate Assessment which is undertaken by means of an onsite inspection by the Audit Commission every three years. Our last inspection was in January 2006 and we achieved a strong 3 star rating with a direction of travel assessment of improving well. This score will stand until 2008/09.

3.11 Our service block scores will be refreshed at the end of 2006 with a public announcement of the results in February 2007. The mechanism used to define the service block scores is the proportion of PI's within the block that fall within the upper and lower thresholds of comparative performance. If more that 35% of PI's are in the lower threshold a score of 1 is given if 35% or more are in the upper threshold a score of 4 is given. The Audit Commission does not prescribe which PI's need to be in the upper range and hence the local authority defines those priorities it believes should be high performing within the overall service or those of less relevance locally. A critical element will be inclusion of public satisfaction data from the postal survey of residents that we are required to undertake during September 2006.

3.12 The CPA service block assessments are partly based on the use of performance data taken from our Best Value Performance Indicators (BVPI). These are a set of indicators defined by the Department for Communities and Local Government which all local authorities are required to collect and publish on an annual basis. The figures are audited by external auditors prior to being submitted to central government. The data is used to define 'upper' and 'lower' thresholds for comparative performance for each different type of authority. These thresholds are a major component in defining the scores achieved for each service block.

3.13 Performance against key BVPI's is critical to the Council and is reported to this Committee on both a quarterly (in the Vital Signs document) and an annual basis in the Performance Plan.

Local Area Agreement.

3.14 In 2004 the Government introduced the Local Area Agreement initiative. This builds upon the approach taken within the Public Service Agreement scheme to enter into negotiated performance agreements with each authority with the aim of providing greater flexibility for Councils to focus on local rather than national priorities. Brent's LAA was agreed in April 2006 and is essentially a locally tailored performance regime for the Council and its partners within Brent. Our LAA framework is built around the three themes in the Community Strategy which are;-

- A Great Place
- A Borough of Opportunity
- An Inclusive Borough.

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3.15 Within these three themes the partnership has identified 12 priority stretch targets where we have agreed to achieve enhanced performance levels in return for initial pump-priming funds and PRG. If all targets are delivered a performance reward grant (PRG) of approximately £9 million would be given. This would be received in the 2010 financial year.

The twelve LAA stretch targets are related to:-

A Great Place

- Improving street cleanliness.
- Reducing accidental fires in residential properties
- Reducing domestic violence
- Increasing participation of young people and adults in sport and physical exercise

A Borough of Opportunity

- Increasing the numbers of people from BME and disadvantaged groups into sustainable employment.
- Improving the processing times for applications for council tax and housing benefit
- Increasing the number of schools accredited as 'Healthy Schools'
- Increasing the numbers of people giving up smoking.

An Inclusive Borough

- Reducing the numbers of families in temporary accommodation. (This target is the subject of a request for a complex freedom and flexibility that has not yet been agreed by DWP and may not go forward)
- Increasing the numbers of primary and secondary schools offering access to the extended school range of services.
- Raising the numbers of looked after children achieving A-C and A-G grades at GCSE.
- Increasing the numbers of people taking part in formal volunteering activity across the borough of more than 2 hours a week.

3.16 In addition a basket of PI's will operate as a test of efficiency across a range of services which forms the final target.

3.17 The LAA is a critical development in terms of assessing not just the performance of the Council but the effectiveness of the partnership networks across the borough and their success in delivering key community objectives. Performance against the LAA objectives and the 12 stretch targets will be reported to this committee on a quarterly basis.

3.18 Given the central importance of effective performance management to the achievement of the Council objectives we are continually developing the systems we use to accurately monitor, analyse and respond to data. Over the coming year we will be undertaking the following actions to further develop our procedures to gain a better understanding of the outcomes are actions are achieving:-

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- Fully implement the Performance Management IT system across the Council and our key partners to enable accurate monitoring of our shared priorities and LAA outcomes.
- Developing SMART targets for all Corporate Strategy objectives which will enable better monitoring and assessment of achievements.
- Reviewing the format for service area action plans and ensuring that targets are aligned with the agreed corporate priorities.
- Developing more robust data on value for money relative to the performance delivered by the Council.

Performance Management Documentation

3.19 There are a number of documents which will form the basis of the future work programme and investigations of this committee. Together they provide a background to the overall performance of the Council and are updated on a quarterly basis to enable Members to track changes in performance and request detailed briefings from officers on emerging performance issues.

The key documents are:-

Annual Performance Plan:- This is a statutory document which all Councils are required to publish. It contains our performance against BVPI's and is validated by our external auditors PwC. It shows our performance targets for the next three years and details of previous year's performance. A copy of the plan for 2006/07 is circulated with these papers.

Vital Signs – The 'Vital Signs' is the key corporate monitoring report. It is produced each quarter and is considered by the Corporate Management Team, The Executive and the Performance and Finance Select Committee. 'Vital Signs' contains the performance indicators that are considered to be corporate priorities or are high risk in terms of under performance. The PI's are a mixture of national measures and local indicators. This document has previously proved useful in highlighting the service areas where Members of this committee would like more detailed briefings or have requested Member led investigations. A copy of the 'Vital Signs' for the April – June 2006 quarter is attached as Appendix B.

Local Area Agreement (LAA)

Stretch Targets and Outcomes Framework – The LAA monitoring report shows progress on the key partnership outcomes agreed as part of our LAA. Progress on the 12 stretch targets for which we will potentially receive Performance Reward Grant will be reported quarterly to this committee while the wider set of indicators will be reviewed every six months. A copy of the LAA performance for the first three months is attached as Appendix C.

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The Core Work programme.

- 3.20 There are a number of regular monitoring reports which form a core work programme for this committee. These are detailed at Appendix D.
- 3.22 In addition to these items Members have previously selected areas of performance to either conduct time limited Member task groups or to request officers to attend for detailed questioning. These then form the annual work programme for the Committee. The work programme is reviewed at each meeting to ensure it is still appropriate to the latest performance issues and remains a flexible document, while providing a structure to the work of the Committee.
- 3.23 Members views are sought on the performance issues that they would wish to see within the work programme for the coming year.

4.0 Financial Implications

- 4.1 There are none arising directly from this report.

5.0 Legal Implications

- 5.1 There are none arising directly from this report.

6.0 Diversity Implications

- 6.1 There are none arising directly from this report.

Background Information

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