

TORBAY COUNCIL

DRAFT

PERFORMANCE AND RISK MANAGEMENT STRATEGY AND FRAMEWORK

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1.0 INTRODUCTION

This strategy and framework has been designed to support and assist the council and its wholly owned companies (SWISCo and Torbay Economic Development Company Limited trading as the TDA also referred to as the Torbay Development Agency) in undertaking the following:

- Planning the actions and activities to deliver the outcomes in the Community and Corporate Plan 2019-23 and other key council priorities.
- Measuring the impact of those actions/activities via performance indicators/performance standards.
- Enabling service areas to monitor the internal performance of their service.
- Reporting on the progress of actions/activities and performance.
- Providing a mechanism to review, analyse and if required re-focus performance; and
- Provide a consistent approach to risk management in the council.

Torbay Council and its wholly owned companies are faced with a range of challenges and opportunities in continuing to provide frontline and statutory services and this strategy and framework ensures that all staff, elected members and partners are clear on how they contribute to the delivery of the outcomes detailed in the Community and Corporate Plan and other key council priorities.

Performance management is essential to the success of Torbay Council and its ambitions as set out in the Community and Corporate Plan and its other key council priorities. Performance Management is a vital element of forward planning and continuous improvement. The Community and Corporate Plan has four main themes and the strategy and framework will support in its delivery. The Plan themes are:

- Thriving People
- Thriving Economy
- Tackling Climate Change
- Council Fit for the Future.

Each of these themes span across the portfolios and responsibilities held by elected Cabinet Leads and service areas and routine performance monitoring will help to drive and join up the activities so that the council can measure its success and progress and realise its ambitions in each area.

This strategy and framework also has the flexibility to enable the council to monitor performance on priorities that are not explicitly part of the Community and Corporate Plan via the collection and monitoring of performance indicators/performance standards.

This strategy also provides a framework for the council and its wholly owned companies to consistently manage the risks that it faces and establishes a whole organisation process for identifying and managing these risks. Also where appropriate the key risks are linked to the related performance indicator so that the connection between the two is highlighted and can be addressed as appropriate.

2.0 WHY IS PERFORMANCE AND RISK MANAGEMENT IMPORTANT?

Performance and risk management should be managed at an organisational, service, team and individual level, with each informing the other. To know when and what action to take, performance and risk has to be measured, monitored and analysed. To know how to judge performance and risk, criteria must be agreed with aims, objectives and targets.

If the council and its wholly owned companies are going to deliver the outcomes that the people of Torbay want there has to be a performance and risk management strategy and framework that:

- Is based on the key priorities and outcomes and helps to measure the right things at the right time;
- Is based on a few key performance metrics and risks which measure the right things at the right time and frequency;
- Is used to continually improve how we work together and the way services delivered are performance managed;
- Is based on quality and accuracy of current and forecasted information which produces meaningful measures of how services are performing;
- Enables learning from our own experiences and mistakes and avoids a 'blame' culture;
- Meets the needs of all the people involved in delivering outcomes in Torbay inside and outside the council; and
- Enables all staff and teams to understand how they contribute to the council and how they are performing.

Effective performance and risk management will help to:

- Clearly articulate our priorities and desired outcomes;
- Prioritise what actions/activities get done with the resources available;
- Highlight where more resources and skills may be required;
- Provide and demonstrates value for money;
- Provide good services and satisfaction for users and the local community;
- Motivate and manage our staff; and
- Respond effectively to existing and new challenges.

3.0 HOW DOES THE PERFORMANCE AND RISK MANAGEMENT FRAMEWORK OPERATE?

The key to managing performance and risk is to be able to measure performance and risk, as only by devising appropriate measures can we properly monitor how the council is progressing towards achieving its strategic outcomes, identifying threats or risks and prioritising resources to what matters most.

Torbay's performance and risk management framework is designed to allow us to take action in response to actual performance and risk and to deliver the best outcomes and services in relation to our priorities and statutory responsibilities within available resources.

Our performance and risk management framework enables us to:

- Prioritise and set clear outcomes and detail how we intend to deliver services;
- Track and communicate whether or not these priorities and outcomes are being achieved; and
- Take effective, well informed and timely decisions to ensure that we are continuously improving and that our outcomes are being met in line with expectations.

The framework is based on the Plan, Measure, Report and Review cycle.



PLAN

4.0 HOW DO WE PLAN THE ACTION WE ARE GOING TO TAKE?

The council, its wholly owned companies and each service area has a set of outcomes and actions/activities that it wants to deliver and implement. These range from the overarching Community and Corporate Plan 2019-23 and its associated Annual Business Plan to service specific plans and strategies. This performance and risk management strategy and framework is dependent on the council undertaking regular business planning activity and producing an Annual Business Plan for the whole council as well as individual service or wholly owned company business plans that detail those outcomes, actions/activities, performance indicators and risks.

The Annual Business Plan will be a high level view of all the key strategic council and wholly owned council company outcomes, actions/activities, performance indicators and risks and its development will be aligned to the same timeframe as the annual budget setting process.

The service or wholly owned company business plans (known as a Service Business Plan) will be developed after the development of the Annual Service Plan but will reflect the priorities of the Annual Business Plan and other key council priorities and will detail how each service or wholly owned company will seek to achieve its outcomes (activities/actions), how it will measure if its actions and activities are making a difference (performance standards/performance indicators) and how it will manage threats to delivering these (risks).

Each Service Business Plan will be created in consultation with staff and the relevant Cabinet Lead and will be agreed and signed off by the appropriate director or assistant director. However, it must be consistent with the outcomes, actions/activities, performance indicators and risks detailed in the Annual Business Plan.

Each service or wholly owned company team will be responsible for monitoring its achievement against their Service Business Plan and also in ensuring that the Service Business Plan is widely understood by all staff in their service area so that there is a clear line of sight between individual objectives in appraisals and one to ones and the themes of the Community and Corporate Plan and other key council priorities.

Business Plans should only contain:

- Outcomes , actions and activities that contribute to the achievement of the council's priorities;
- Outcomes, actions and activities that are driven by the need to improve efficiency and effectiveness; and
- Outcomes, actions and activities that have agreed performance metrics against them which are a mix of qualitative and quantitative.

The business planning cycle will be annual but the Annual Business Plan and Service Business Plans will be 'living documents' which will flex and change throughout their life as the organisation responds to performance information and changing circumstances. All Business Plans will be agreed by the start of each financial year.

See Appendix One for Service Business Plan template.

SERVICE BUSINESS PLAN GUIDANCE

Each manager of a service or wholly owned company will need to complete a Service Business Plan each year. They will then become known as the Business Plan Owner.

The Service Business Plan will detail the outcomes and priorities of the service or wholly owned company and how their work will support the delivery of the key themes of the Community and Corporate Plan and other key council priorities. The plan will focus on delivering medium to long term priorities and cover a minimum of a one year period (although a longer 17-18 month period will be more appropriate for school related services to match the school calendar of September to August). Service Business Plans will only focus on actions/activities that will support the delivery of the Community and Corporate Plan objectives, other key council priorities and statutory Local Authority obligations.

The Service Business Plans will be overseen on a day to day basis by the Business Plan Owner but each Service Business Plan will be signed off and regularly reviewed by the appropriate director or assistant director.

The information relating to actions/activities, performance standards/performance indicators and risks in the Service Business Plans when completed will be used to populate an Operational Dashboard in SPAR.NET or in a successor software package. It will then be the responsibility of each Business Plan Owner to ensure that their data in the Operational Dashboard is regularly updated and at a minimum of just prior to the quarterly reporting deadline. It is also the responsibility of each Service Business Plan Owner, Assistant Director and Director to ensure that the staff in their service area have access to view the Operational Dashboard for their area of work so that they are aware of the service's performance and that this information is then used to inform team meetings, the appraisal process and one to ones with staff.

As the business planning process matures at Torbay Council work will need to be undertaken to align the council's business planning process with key partners such as the Devon Sustainability and Transformation Partnership or STP and Devon and Cornwall Police.

BUSINESS PLANNING ANNUAL TIMELINE

Month	Activity
October- January	Annual Business Plan developed alongside and aligned to annual budget process
February	Annual Business Plan and annual budget finalised and agreed
January/February	Service Business Plan Owner commences drafting Service Business Plan
March	Service Business Plan finalised by Business Plan Owner
March	Service Business Plans communicated to Elected Members for feedback
March	Service Business Plan signed off by Director/Assistant Director
April	Service Business Plan goes live and is implemented

April	Service Business Plan communicated to all staff in service area via staff appraisal process
Ongoing	Service Business Plan amended due to performance information and changing circumstances

MEASURE

5.0 HOW DO WE MEASURE PROGRESS ON THE BUSINESS PLAN?

The information signed off in the Annual Business Plan and Service Business Plans will be used to create an Operational Dashboard. This will be created in SPAR.NET or in a successor software package. Essentially the Operational Dashboard will measure the key areas of each service and will be configurable to create bespoke performance and risk reports at differing levels within the organisation.

The key areas are:

- Progress on the performance standards/indicator associated to the service area's outcomes and actions/activities and other service performance standards/indicators that will enable service areas to monitor the internal performance of their service; and
- Risks.

The categories of data in the Operational Dashboard could be:

Performance Standards/Indicators (quantitative and qualitative):

- Standard/Indicator ID and description;
- Link to Community and Corporate Plan or other key council outcomes;
- Previous quarterly performance – value;
- Previous quarterly progress – RAG rating;
- Current performance – value;
- Current progress – RAG rating;
- If red or amber what mitigating action is being taken to improve performance;
- Current Direction of Travel;
- Target Performance – value;
- Target Performance – date;
- Benchmark Data as appropriate – national, regional, statistical neighbours;
- Previous Years performance where appropriate;
- Accountable Officer; and
- Potential in future to track performance and progress on activities/actions.

Risk:

Utilise risk matrix in Business Plan templates that measures impact vs probability:

- Risk description;
- Link to related performance indicator;
- Previous quarterly Risk Rating – value and RAG;
- Target Risk Rating – value and RAG;
- Date to achieve Target Rating;
- Current Risk Rating – value and RAG;

- Progress on managing risk – RAG;
- Current Mitigating Actions;
- Risk Rating after Current Mitigating Actions Completed – value and RAG;
- Risk Commentary; and
- Accountable Officer.

It will be the responsibility of each Service Business Plan Owner to ensure that their service data is updated regularly in the Operational Dashboard, but at a minimum the data must be updated prior to the end of each quarter so that the Strategic Dashboard can be populated.

At the end of each quarter the data in the Operational Dashboard will be used to produce the Strategic Dashboard which reports at a high level on:

- Progress on delivering the Community and Corporate Plan themes and other key council outcomes;
- Progress on delivering whole Council Performance Standards/Indicators; and
- Strategic level Risks.

The categories of data in the Strategic Dashboard could be:

Performance Standards/Indicators (quantitative and qualitative):

- RAG Rating on delivery of the 4 high level themes of the Community and Corporate Plan based on key sets of high level performance standards/indicators in each Community and Corporate Plan theme area with commentary of mitigating action being taken if red or amber;
- Thriving people – RAG rating on 3 main themes and 10 sub themes with commentary of mitigating action being taken if red or amber;
- Thriving Economy – RAG rating on 2 main themes and 8 sub themes with commentary of mitigating action being taken if red or amber;
- Tackling Climate Change – RAG rating on main theme and 6 sub themes with commentary of mitigating action being taken if red or amber;
- Council fit for the Future – RAG rating on main theme and 3 sub themes;
- Other Key Council Priorities not in Community and Corporate Plan – RAG rating with commentary of mitigating action being taken if red or amber; and
- Whole council Performance Standards/Indicators e.g. workforce, finance, customer service, income generation, health and safety etc – RAG rating on performance with commentary of mitigating action being taken if red or amber.

Risk:

Utilise risk matrix in Business Plan template that measures impact vs probability but only include risks that score over 10 on matrix and are therefore amber or red and rank top 10 highest risks to the organisation:

- Risk description;
- Link to related performance indicator;

- Previous quarterly Risk Rating – value and RAG;
- Target Risk Rating – value and RAG;
- Date to achieve Target Rating;
- Current Risk Rating – value and RAG;
- Progress on managing risk – RAG;
- Current Mitigating Actions;
- Risk Rating after Current Mitigating Actions Completed – value and RAG;
- Risk Commentary; and
- Accountable Officer.

REPORT

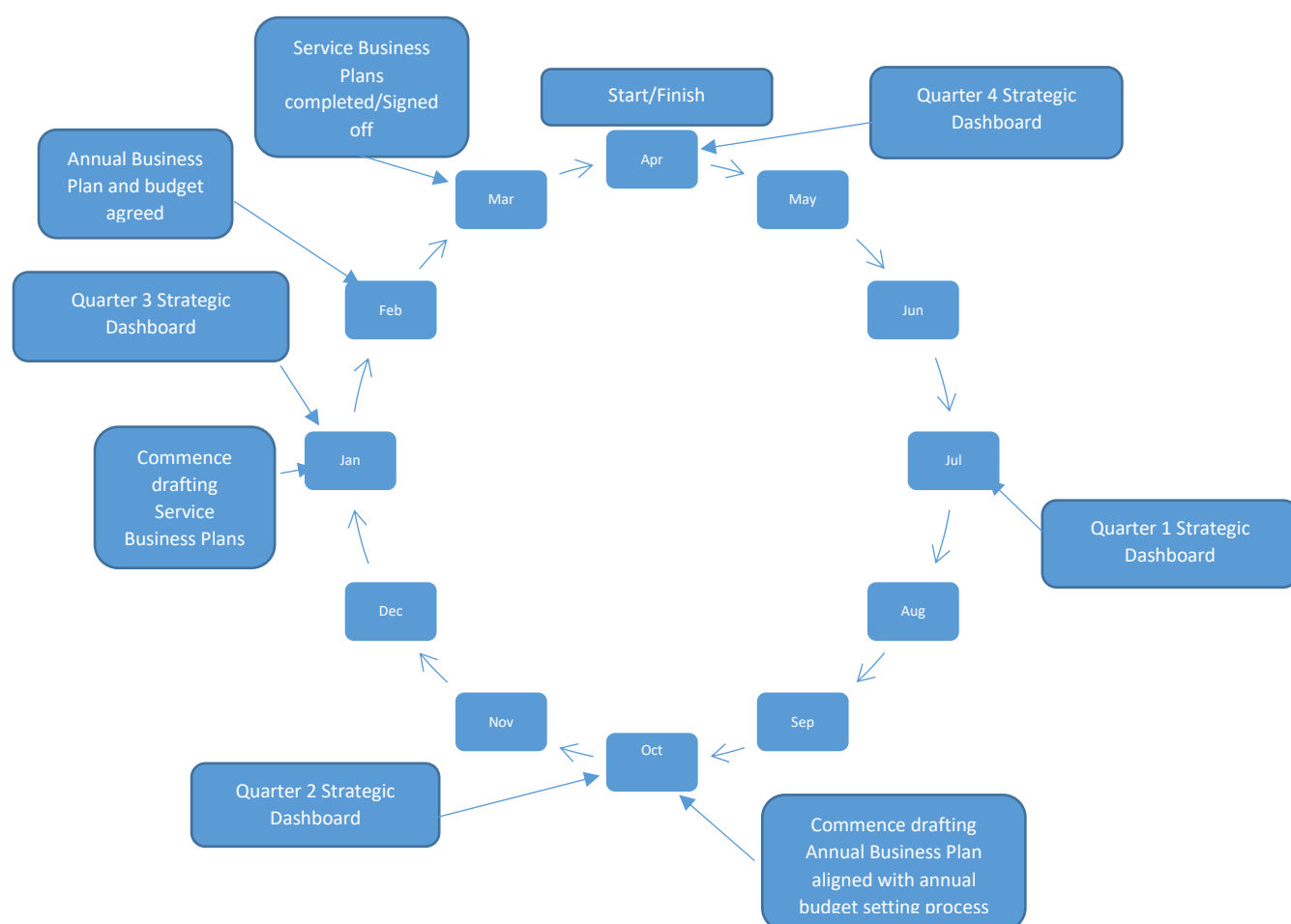
6.0 HOW WILL PERFORMANCE AND RISK BE REPORTED?

Performance and risk reporting is about providing accurate, balanced and timely information to the right people at the right time and enables the council to report in an open and accountable manner. At the end of each financial quarter, performance from that quarter will be collated, reported and reviewed to monitor whether targets are being met and to identify where improvements and/or re-focused actions could be undertaken.

All data and information on actions/activities, performance standards/indicators and risks will be kept and maintained on SPAR.NET or successor software package and will be accessible to all staff to view but with only nominated staff having the right to edit. This level of data will be known as the Operational Dashboard. This dashboard will be used and regularly viewed by Service Business Plan Owners, Assistant Directors, Directors and staff and will provide a live/real time view of performance across the council which can be accessed to inform decision making, task allocation, team meetings, appraisal targets and one to one discussions with staff. However, it is important to note that the quality and timeliness of the data in the Operational Dashboard will be dictated by the effort placed by each service area to maintain this data. Nevertheless at the very least each service will be expected to update their data on the Operational Dashboard prior to the end of each financial quarter so that this information can be used to populate the Strategic Dashboard.

The Strategic Dashboard will be produced for the Audit Committee, Leader, Chief Executive, Senior Leadership Team, Cabinet and Overview and Scrutiny Board to review on a quarterly or ad-hoc basis. This dashboard is a high level view of the council's progress and success in meeting the stated outcomes of the Community and Corporate Plan and other key council outcomes and priorities as well as an overview of the council's overall performance on key internal standards/indicators such as workforce, financial and customer complaint performance.

The Annual Performance and Risk Reporting Cycle for Torbay Council will be as below:



Alignment to the Budget Setting Process

The Service Business Plans will be included as the 'cover sheets' for the Budget Digest, with each digest page per service being shown behind the Business Plan. When the final digest is published in March each year this will include each agreed Service Business Plan with the approved budget for each service.

The key dates where the budget setting process align with the performance and risk cycle are as follows:

March/April	Annual Business Plan published – Budget Digest plus Service Business Plans
September	Budget Star Chambers – performance information used to challenge services
October	Draft budget proposals announced for consultation
November	Feedback from budget consultation – used to develop Annual Business Plan
January	Final Budget proposals and Annual Business Plan announced
February	Final Budget and Annual Business Plan agreed

REVIEW

7.0 WHERE AND HOW IS PERFORMANCE AND RISK REVIEWED AND MONITORED?

The simple answer to this question is that everyone should be involved in reviewing performance and risks as all staff and elected members need to be aware and act upon the performance and risk data from their areas of responsibility.

However, in practice performance and risk will be formally reviewed and monitored by the following;

Group	Review Method	Frequency
Audit Committee	Quarterly Strategic Dashboard	Quarterly
Cabinet	Quarterly Strategic Dashboard	Quarterly
Overview and Scrutiny	As requested	As requested
Cabinet Leads	Regularly review performance and risk with their Directors via Operational Dashboard	At least monthly
Chief Executive	Regularly review performance and risk with Directors/Assistant Directors via Operational Dashboard	Monthly
Senior Leadership Team (SLT)	Quarterly Strategic Dashboard	Quarterly
Directors/Assistant Directors	Regularly review performance and risk with Business Plan Owners in their area via Operational Dashboard	Monthly
Directorate Management Teams	Operational Dashboards	Quarterly
Business Plan Owners/Managers	Regularly review service performance and risk data via Operational Dashboard and incorporate into team meetings, staff appraisals and one to ones	At least monthly
All staff	Right and responsibility to know how they are contributing to the performance and risk data and Community and	At least monthly

	Corporate Plan and other key council priorities via Operational Dashboard	
Wider community	Access to Quarterly Strategic Scorecard via public Audit Committee meetings	Quarterly

Monitoring of Performance and Risk in relation to External Inspections

Although not part of the quarterly performance and risk management cycle it is critical that the council also monitors its performance and risk in relation to external inspections including Internal Audit inspections. To facilitate this a position statement on external inspections will be produced and reported to SLT, Cabinet, Overview and Scrutiny on a rolling sixth monthly basis.

The position statement will cover the following:

- An overview of the external inspections for the year ahead with confirmed or likely dates of inspection
- A commentary from each service area with an external inspection on their current grade in relation to the external inspection regime, an overview of the progress in undertaking a self-evaluation assessment in readiness for the next inspection and an opportunity to raise any risks/issues emerging from the self-evaluation assessment

After considering the six monthly position statement SLT, Cabinet, Overview and Scrutiny and Audit Committee may decide to undertake a 'deep dive' on a particular service area and to review the self-evaluation assessment and other preparations for the external inspection.

Role of Internal Audit in relation to performance and risk management

The role of Internal Audit is to provide guidance and information on performance and risk management in addition to dealing with the provision of audit services. If data quality issues are identified through the course of an audit, whether linked to a performance/risk standard/indicator or not this will need to be raised in an audit report. Internal Audit also provide an independent review of the corporate approach to performance and risk management and data quality.

REVIEW

8.0 WHAT DO WE DO WHEN PERFORMANCE AND RISK PROGRESS IS NOT SATISFACTORY?

It is important to regularly review and evaluate performance against targets and this should include benchmarking and forecasting to ensure performance, both current and future, is analysed fully to secure a continuous improvement trajectory.

Where it is identified that performance is of concern there is an opportunity to explore the performance issues in detail and identify any appropriate actions. Torbay has two approaches to rectifying unsatisfactory performance:

- Performance Recovery Plans; and
- Performance Clinics.

Performance Recovery Plans

Where insufficient progress is being made on a service action/activity, standard/indicator or risk a Director or manager can use the Recovery Plan template (included at Appendix Two) to plan a way to unblock poor performance. The use of this approach is at the discretion of the Chief Executive, SLT, Directors, Assistant Directors, Business Plan Owners and managers but would generally be for operational level actions/activities, indicators and risks. Any changes should be reflected in the relevant Business Plans.

Performance Clinics

This approach is more likely to be used for strategic level actions/activities, standards/indicators and risks that require urgent focus to seek ways to be improved. Essentially, the performance clinics are task and finish groups with specific terms of reference to manage the improvement of specific actions/activities, standards/indicators and risks that are off track.

It is essential that the clinic consists of people who have ownership and overall responsibility for performance in the area of focus. A chair of the clinic will need to be nominated and then at each clinic meeting the relevant Directors, Assistant Directors and Business Plan Owner/Service Managers will update on the progress being made but will also receive support and advice from other members of the clinic. Essentially, the clinic is a forum to accelerate performance and any changes should be reflected in the relevant Business Plans.

What do we do when performance is good or outstanding?

This strategy also identifies the need to celebrate good or outstanding performance when it takes place and to promote this through our internal and external communications channels.

9.0 WHAT DO WE NEED TO DO NEXT TO IMPLEMENT AND EMBED THIS STRATEGY AND FRAMEWORK?

In order to establish and then embed this new approach to performance and risk management at Torbay Council the following actions will need to be implemented:

Current Gap	Activity to address gap
Current lack of an annual business planning process	Design, agree and begin to embed annual business planning process for both an Annual Business Plan and Service Business Plans
	Align council business planning process with key partners business planning processes
Patchy and inconsistent approach to collecting performance and risk data	Collect appropriate performance information and risks from service areas via business planning process
Patchy and inconsistent understanding of the value of performance and risk management in the wider organisation (what is known as a performance and risk culture)	Training for councillors and senior officers on value of performance and risk management
Staff resource gap to support delivery of performance and risk framework	Review the staff resources required to support delivery of revised Performance and Risk Strategy and Framework
	Determine best staffing model to support performance and risk
Spar.net the council's performance and risk management software for the last 15 years plus is showing signs of no longer being fit for purpose and what the council requires moving forward to support the delivery of this strategy and framework	Undertake 'fit for purpose' review of spar.net
	If review of spar.net demands procure replacement performance and risk management software
Lack of a report on performance and risk at an operational level for managers and teams	Design and begin to embed Torbay Council Operational Dashboard
Need to revise and improve current strategic Performance and Risk Management Reporting	Design and begin to embed Torbay Council Strategic Dashboard
Need to re-establish performance and risk management reporting back into council governance	Design and begin to embed Annual Performance and Risk Reporting cycle

Current lack of a consistent and whole council approach to addressing poor performance, seeking ways to improve performance and celebrating good or outstanding performance	Design and begin to embed performance and risk recovery approach alongside mechanism to celebrate good or outstanding performance
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The above actions will be delivered via the Council Re-design Programme in the Our Organisation Project. There will be a discrete work package of Our Performance and the actions above will be implemented by the team supporting this work package.

10.0 APPENDIX

Appendix One – Business Plan Template

Appendix Two – Performance Recovery Plan Template