

Executive Scrutiny Committee	ES/006/12
Date: 3 April 2012	

PERFORMANCE AND OUTCOMES REPORTING 2012/13

Report by Cabinet Member for Finance and Transformation and Deputy Leader

Enquiries to Officer: Mark Golledge, Head of Information and Intelligence, ext. 40962

Purpose of report

The purpose of this report is to outline our current performance against the outcomes articulated within the EssexWorks Corporate Plan 2012-17 (based on latest information) and to communicate to Executive Scrutiny Committee the targets / aspirations against these outcomes following approval by Cabinet.

The paper also makes specific proposals for how practically we will report against the outcomes enabling Cabinet to make decisions and Scrutiny to review progress against delivery of the EssexWorks Corporate Plan.

Decision Areas and Recommendations

Executive Scrutiny Committee are asked to:

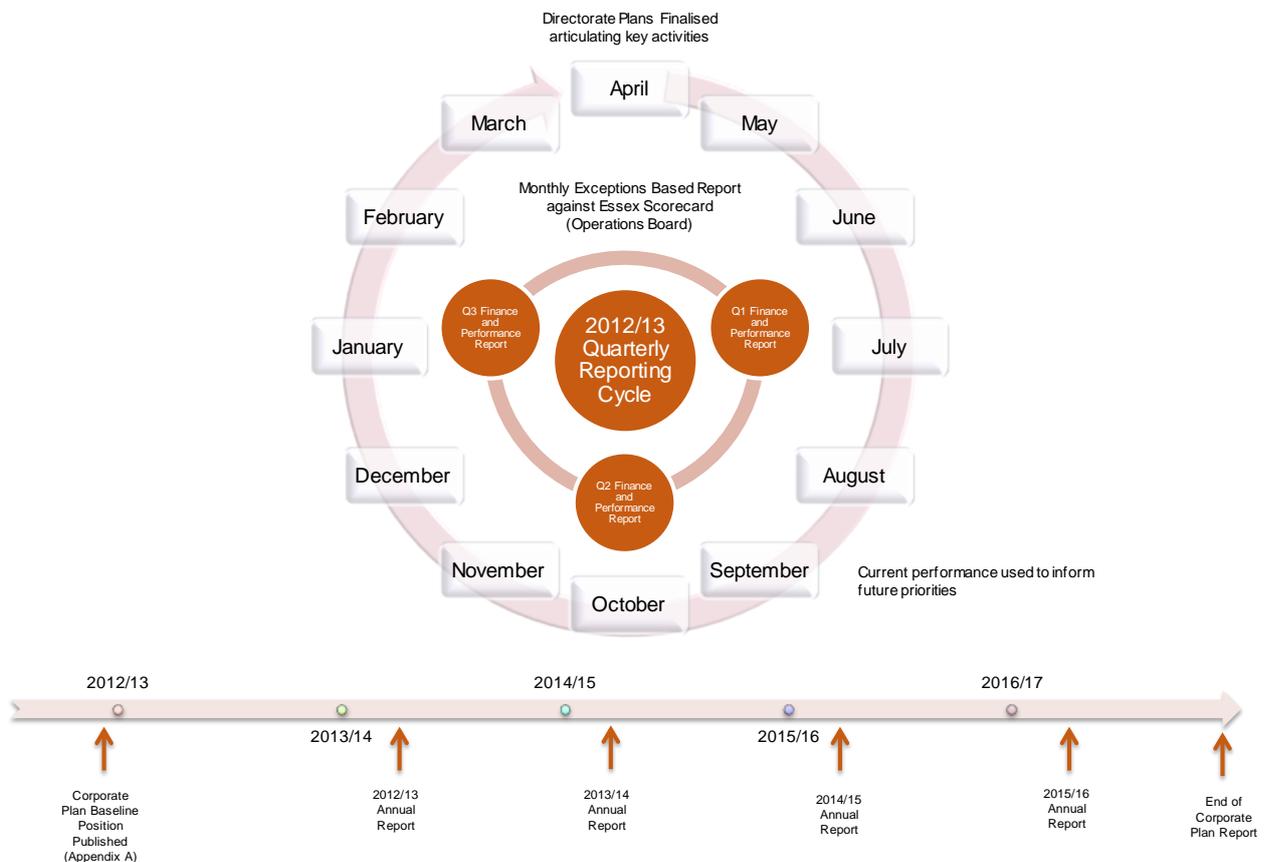
- Note the current performance for 2011/12 as set out in the baseline paper in relation to our Corporate Plan outcomes (Appendix A);
- Note the baseline position in relation to our Corporate Plan outcomes (Appendix A);
- Note the targets / aspirations in the baseline paper in relation to our Corporate Plan outcomes (Appendix A);
- Comment on the format of the formal quarterly report for Cabinet and Executive Scrutiny Committee and refer recommendations back to the Deputy Leader and Cabinet Member for Finance and Transformation for consideration (Appendix B).

Structure of the Report

The paper is structured into two sections. The first outlines our baseline position in relation to the Corporate Plan 2012-17 (the summary position and full detail are included in Appendix A) and Executive Scrutiny Committee are asked to note the targets and aspirations we will be working towards. This paper also provides an overview of progress being made so far this year in delivering key outcomes. This baseline position is intended for use by a variety of audiences including Cabinet, Members and the Public.

The second element of the paper focuses on our short-term plans - particularly the work which is being undertaken to bring closer alignment between financial, performance and risk reporting in 2012/13. Executive Scrutiny Committee are invited to comment on the structure and mock-up of our proposed quarterly report to help ensure the right information is presented in a way which drives effective scrutiny (as included in Appendix B).

These papers taken together support our reporting and decision making framework. The baseline paper (Appendix A) provides a snapshot at the start of the EssexWorks Corporate Plan 2012-17. Our annual report will provide a basis on which to judge progress. This will be supported by a formal Quarterly Report to Cabinet and Executive Scrutiny (using the proposed mock-up report in Appendix B).



Background and Context

This paper follows a report presented to Executive Scrutiny Committee in January 2012 outlining proposals. There was agreement that we would:

- Use the measures articulated in the Corporate Plan to monitor delivery of outcomes, and where appropriate to challenge performance of the organisation throughout 2012/13;
- Recommend to Scrutiny Board that each Policy and Scrutiny Committee reviews Directorate Management Information (MI) Scorecards to support refresh of these in line with Business Plans;
- Recommend to Scrutiny Board that each Policy and Scrutiny Committee reviews progress against MI Scorecards through informal briefings with matters of concern being brought to the attention of the relevant Policy and Scrutiny Committee in a formal setting;
- Agree for a quarterly report which is presented to Cabinet to also be presented to Executive Scrutiny Committee by the Deputy Leader, detailing progress against outcomes as outlined in the Corporate Plan;
- Agree for an annual report which is presented to the Audit Committee (draft) and Cabinet to also be presented to Executive Scrutiny Committee by the Chief Executive / Deputy Chief Executive and Leader / Deputy Leader;
- Agree to receive a report outlining progress (based on evidence up to Period 10 2011/12). This would include a 'mock-up' of the 2012/13 quarterly report for comment.

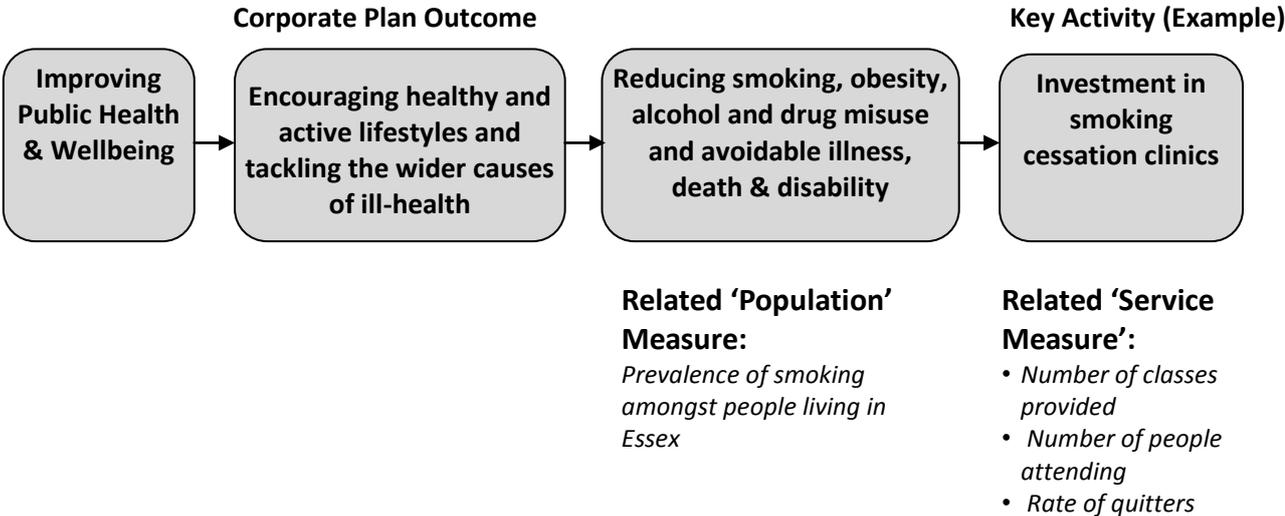
Executive Scrutiny Committee will be aware that work has been undertaken to develop and agree a Revenue Budget (for 2012/13) and Corporate Plan (for the period 2012-2017). The Corporate Plan sets out the outcomes we will deliver under each priority (5 priorities, each with 3 outcomes) as well as the measures of success we will use to help us manage our performance. The Corporate Plan needs to be considered alongside various other documents – in particular Directorate Business Plans, unit plans and individual 'my performance' objectives which make clear the contribution each directorate, team and employee makes to delivery of our priorities.

Given the links between our finances and delivery of outcomes it was agreed that targets (where appropriate) for the Corporate Plan would be established following agreement of the Budget at Full Council and presented for agreement to Cabinet in March 2012. Work has been undertaken in consultation with Portfolio Holders, CLT members and DLTs to put targets in place for the outcome measures within the Corporate Plan.

Our current progress against the Corporate Plan outcomes is outlined in Appendix A and this is intended to provide a rounded baseline picture - a position from which to judge our future progress. This is intended to be used both as a reference document but also highlight areas of the Corporate Plan where we will want to focus our activity going forward.

In developing our understanding of outcomes we have adopted an alternative approach to target setting for the 2012-17 Corporate Plan. In previous years targets have been set for all measures within the Corporate Plan. However, we have been

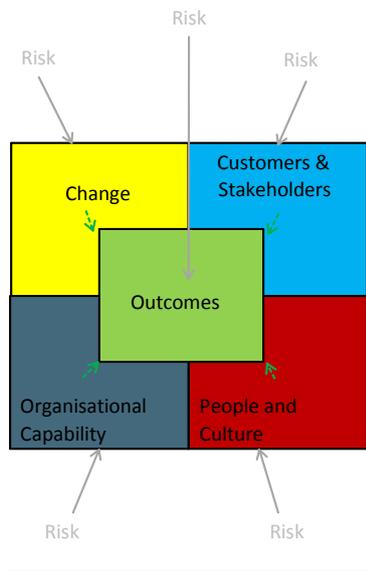
developing our understanding of inputs, outputs and outcomes and this year have differentiated between 'service measures' and 'population measures' – the former which are within our direct control to deliver (and where the relationship between inputs and outputs is clearly understood), and the latter areas which we contribute towards but which can be heavily influenced by external factors (see example below). The intention of doing so is to ensure there is clarity on accountability and responsibility. The targets and aspirations are based on comparative and trend information but also take into account the financial position facing the Council. This will form the basis for monitoring in 2012/13.



We will be working to bring closer alignment between financial and performance reporting in 2012/13. Whilst our long-term ambition is for one report, in the short-term we intend to bring closer alignment between these reports where it is possible to do so (including aligning quarterly discussions of performance and finance to ensure these take place at the same meeting).

For performance reporting, we will continue to use the balanced scorecard approach and will consider progress against each of the sections (and objectives within this). Managing risk to delivery of our objectives is critical to all areas and we are working to incorporate risk into this approach. This will help to ensure we take a forward looking approach rather than simply reactive view. The same balanced scorecard structure will cascade to Directorates and where appropriate Services.

Cabinet and Executive Scrutiny Committee will be presented with progress against outcomes (from the Corporate Plan) on a quarterly basis.



Balanced Scorecard

- **Outcomes:** How we have done in delivering the outcomes we have committed to (linked to the Corporate Plan)
- **Change:** How we have done in progressing critical change activities
- **Customers and Stakeholders:** How we are identifying customer needs and ensuring contact is in ways which are convenient and appropriate for their needs
- **Organisational Capability:** How effective our key processes are to deliver improved outcomes including financial management (linked to our Budget);
- **People and Culture:** How we are doing in implementing our People and Culture Strategy

A mock-up of this quarterly report is presented in Appendix B for Executive Scrutiny comment. This report is intended to:

- a). Highlight areas where we would recommend decisions to be made. We envisage this will include an outline of the issue, what activities and improvement actions are already underway and key recommendations for Cabinet.
- b). Provide a summary overview of progress against priorities and outcomes.
- c). In the Appendix, provide an overview of each priority outlining our progress made (where have we come from), our current performance (where are we and what is driving it), risks to achieving improvements in performance (where do we need to be and the risks to achieving it) and existing or planned actions to drive improvement (how are we getting back on track).

Proposals

As a result, Executive Scrutiny Committee are asked to:

- Note the current performance for 2011/12 as set out in the baseline paper in relation to our Corporate Plan outcomes (Appendix A);
- Note the baseline position in relation to our Corporate Plan outcomes (Appendix A);
- Note the targets / aspirations in the baseline paper in relation to our Corporate Plan outcomes (Appendix A);
- Comment on the format of the formal quarterly report for Cabinet and Executive Scrutiny Committee and refer recommendations back to the Deputy Leader and Cabinet Member for Finance and Transformation for consideration (Appendix B).

Conclusions

The arrangements outlined in this paper are intended to further strengthen our arrangements for monitoring, scrutinising and ultimately improving delivery of outcomes by bringing closer alignment between our progress, the activities supporting delivery and risks to delivery of outcomes.

Background Papers

- EssexWorks Corporate Plan 2012-17 Baseline Paper (Appendix A);
- Mock-up of Quarterly Performance Report (Appendix B)