Item 7

Report to Executive Advisory Group

Improvement East **12 November 2008**
Subject: Performance management framework
Report by: Secretariat

Purpose

To update the Executive Advisory Group on the development of a performance management framework.

Recommendations

It is recommended that the EAG notes the development and implementation of the performance management framework.

1 Introduction

1.1 This report provides an overview of Improvement East's performance management framework. The processes and documents which are required to make the framework operational have been developed and will be implemented from December 2008.

1.2 The framework has been developed to ensure that the partnership successfully delivers the outcomes identified in its Regional Improvement and Efficiency Strategy (RIES). It will ensure that the management of performance is built into each project, that the achievements of the partnership are monitored and reviewed in a consistent way, and that any issues or problems affecting delivery are identified and dealt with in an effective manner. It will enable Improvement East to monitor the allocation and progress of its Year One funding and to take ownership of, and manage, the projects it inherited from Building Capacity East (BCE), the Regional Centre for Excellence (RCE) and those projects funded by the Transitional Funding. It is expected that this framework will need to evolve over time as the programme of work develops.

1.3 Improvement East's performance management framework consists of two main elements:

Quarterly reporting of progress and the financial situation in respect of individual projects, themes and programmes; and

Annual review of progress made against both the measures in the Improvement East delivery plan and the specified outcomes in the National Improvement and Efficiency Strategy. This review will take the form of an Annual Report which is required by CLG.

1.4 Underpinning the framework will be robust project management. Appropriate project management documentation has been developed to enable the partnership to take funding decisions and assess and monitor the effectiveness of each project.

1.5 This process is in addition to but will support the role of lead Members and Chief Executives for themes, projects and to individual authorities.

2. Quarterly reporting process

2.1 The quarterly performance reports will be considered firstly by each Cluster, then by the Executive Advisory Group (EAG) and finally by the Member Panel. The level of detail provided in the reports will be appropriate to each of the Cluster/EAG/Panel levels. The reports enable the partnership to:

- Monitor the progress of projects and spend to ensure they are delivering against agreed milestones;
- Discuss and agree any remedial action which may need to be undertaken; and
- Make future funding decisions based on the full understanding of the money already allocated and/or spent on each theme.

2.2 Where possible, the Cluster reports will use a 'traffic light' system to show at a glance whether the project is on track (green), behind schedule (Amber) or unable to deliver to plan (Red). It should be noted that in some cases the Clusters do not meet as a formal group. However, there are Member and Chief Executive leads for each Cluster. In these circumstances, a Cluster performance report will be produced by the Programme Manager and communicated with the appropriate Member and Chief Executive lead(s).

3. Annual partnership review

3.1 The government requires all RIEPs to produce an Annual Report. Therefore, in addition to the quarterly reporting process described above, Improvement East will also carry out an annual review of its progress against the measures set out in the Delivery Plan. This will be reported through the EAG and Member Panel as appropriate. In addition, the secretariat will monitor this information, on a minimum of a six monthly basis, as a type of 'self-assessment' to ensure that adequate progress is being made.

3.2 The Delivery Plan details a number of measures which will monitor the effectiveness of its activities. The majority of these measures are based on annual data sourced from other agencies, such as the Audit Commission. Progress against these measures will be included in the Annual Report. Improvement East will also monitor other useful information which will help to assess its impact such as the number of authorities involved in its projects and the National Indicators the projects are intended to support.

4. Roles and responsibilities

4.1 Clear roles and responsibilities are necessary to ensure the smooth operation of the performance framework. These roles and responsibilities are outlined below:

Member Panel – The Panel terms of reference contains these specific responsibilities for performance management**:**
Drive the development of the Improvement East Improvement and Efficiency Strategy, establish key regional improvement and efficiency priorities and allocate funding accordingly
Scrutinise, monitor and review the implementation of the programme and the implementation and impact of the Regional Improvement and Efficiency Strategy
Ensure corporate governance and financial probity in the operation of the Partnership

Executive Advisory Group – Responsibilities include**:**
Scrutinise, monitor and review the progress of each Cluster and agree any necessary action.
Make recommendations to the Member Panel on the allocation and/or reallocation of resources based on performance information.
Offer constructive and critical challenge of the effectiveness and progress of Cluster activity.

Clusters – Responsibilities include:
Scrutinise, monitor and review the individual projects within the cluster and agree any necessary action.
Make recommendations to the EAG and Member Panel on the allocation and/or reallocation of resources based on performance information.
Offer constructive and critical challenge of the effectiveness and progress of projects.

Director/Assistant Directors – Responsibilities include:
Offer constructive and critical challenge of the effectiveness and progress of projects.
Ensure that robust plans are in place to address underperformance.
Identify opportunities for mutual support and improvement.
Ensure the smooth operation of the performance management process
Review the effectiveness and appropriateness of the performance management framework
Ensure that opportunities for the dissemination of learning are available

Programme managers – Responsibilities include:
Manage the performance of individual projects to ensure milestones and outcomes are achieved.
Prepare performance reports on time and following good data quality practices.
Offer constructive and critical challenge of the effectiveness and progress of projects.
Facilitate and assist Project leads/Groups as appropriate
Identify and facilitate opportunities for mutual support and improvement.
Monitor and/or manage the finances of projects
Ensure that dissemination of learning from projects is undertaken

5. Project and partnership evaluation

5.1 Evaluation will play an important role in the performance management framework. Evaluation will be undertaken at the end of each project, or at key delivery stages for more complex projects. This evaluation will be reported to the Clusters and is likely to be included in the Annual Report.

5.2 In addition to monitoring and reviewing individual projects and programmes, the effectiveness of the partnership will also be evaluated. A survey of authority chief executives, chief fire officers and other stakeholders will be carried out once a year. This survey will provide an indication as to how Improvement East is communicating and engaging with it partners. Again, the results of this survey will be included in the Annual Report.

6. Longer-term

6.2 As mentioned in the introduction to this report, this performance management framework should be kept under review to ensure it is fit for purpose and meets the requirements of Improvement East as it matures.

Recommendation

It is recommended that the EAG notes the development and implementation of the performance management framework.

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