

# Review of Performance Management Arrangements – Torfaen County Borough Council

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# Summary report

## Summary

### What we reviewed and why

- 1 Councils have performance management arrangements to help them deliver improvement, demonstrate they are delivering efficient and effective services and are making the best use of resources.
- 2 Our annual Assurance and Risk Assessment review in 2020-21 highlighted some issues around the effectiveness of the Council's performance management arrangements. During 2020-21, we examined the progress that the Council was making in effectively delivering its T22 Children's Services transformation programme and found:
  - the Council's vision for its children's services transformation was ambitious, but it needed to develop clearer measures of success to monitor its progress towards its intended outcomes, and
  - the Council had effective mechanisms to monitor progress against the programme's project outputs but needed to develop more effective mechanisms to drive progress against the intended programme outcomes.
- 3 During 2020-21, we also reviewed the arrangements that each council in Wales put in place to support recovery planning from the COVID-19 pandemic. Our key findings from this review included the following areas for the Council to consider:
  - considering how data, evidence and information can be used to inform actions within the transition and recovery framework with a focus on longer-term inequalities that may have been further exacerbated by the pandemic; and
  - ensuring that the revised performance management arrangements are applied effectively to provide insight and demonstrate assurance around the progress the Council is making against its recovery priorities.
- 4 In 2021, the Welsh Government introduced the Local Government and Elections (Wales) Act 2021. This Act provides a new and reformed legislative framework for local government elections, democracy, governance and performance. For example, the Act requires councils to keep under review the extent to which it is fulfilling the 'performance requirements' and must produce a self-assessment report on the extent to which it is met.
- 5 Our findings on performance management in our T22 Children Services transformation programme report, our recovery planning report, the performance requirements in the Local Government and Elections Act and the arrival of a new Council Chief Executive Officer in 2021 prompted the Council to complete a review of the Council's performance management arrangements.

- 6 In 2022, Estyn inspected the Council's education service<sup>1</sup>. Estyn made four recommendations, two of these relate to the Council's performance management arrangements: strengthen performance management; and strengthen self-evaluation and improvement planning processes and the link between them. The Council has developed an action plan to address Estyn's recommendations.
- 7 We undertook this review in real time as the Council reviewed and developed its performance management arrangements. This review took place between April 2022 and February 2023, and we provided interim feedback to the Council in September 2022.

## What we found

- 8 Our review sought to answer the question: **Is the Council's performance management framework robust and likely to support continuous and sustainable improvement?**
- 9 Overall, we found that: the Council has developed new and appropriate arrangements to monitor and report on its performance, although robust quality control and good use of relevant measurement data will be critical to their effectiveness. We reached this conclusion because:
- the Leadership Team has provided direction and challenge in the development of an appropriate framework which should enhance the Council's ability to monitor and report performance, both internally and to the public;
  - robust quality control arrangements for service planning will be critical to the overall effectiveness of the new Performance Management Framework;
  - the new Performance Management Framework is reliant on good use of relevant measurement data if it is to support the Council to effectively evaluate the performance of its services and the impact of its improvement activity; and
  - the Council is introducing arrangements to enhance accountability and challenge through more frequent and wider internal reporting of performance information.

<sup>1</sup> Estyn, [A report on education services in Torfaen County Borough Council](#), March 2022

# Detailed report

**The Council has developed new and appropriate arrangements to monitor and report on its performance, although robust quality control and good use of relevant measurement data will be critical to their effectiveness**

**The Leadership Team has provided direction and challenge in the development of an appropriate framework which should enhance the Council's ability to monitor and report performance, both internally and to the public**

- 10 The Chief Executive and Leadership team are focused on transforming the Council's performance management arrangements. The Council began a review of its arrangements in 2021 and, throughout the review, the Leadership team has provided rigour and challenge to the process and critical oversight of progress made.
- 11 Following a comprehensive review of the performance management arrangements in 2021 and throughout 2022, in January 2023, the Governance and Audit Committee approved the final Performance Management Framework (PMF). The framework provides a high-level overview of the different arrangements and elements of the Council's approach to performance management. In summary, these are:
  - a County Plan 2022-27. The County Plan conveys the Council's focus and priorities for the next five years. Full Council approved the County Plan in December 2022.
  - an annual Delivery Plan containing the County Plan's key work areas for the Council in each financial year. Full Council approved the 2023-24 Delivery Plan in February 2023.
  - the Council's Well-being Statement.
  - the statutory requirement to complete annual self-assessments.
  - new arrangements and a template for Service Plans.
  - a Strategic Framework containing the key Council strategy documents and their associated delivery plans for delivering the Council's aspirations.
  - the development of a Portfolio Management Office (PMO). This office has a role to work with teams and services across the Council to support the planning, initiation and delivery of programmes, projects and service improvements.

- a new approach to Risk Management with a Risk Register split into three tiers comprising Corporate, Directorate and Service Risks.
  - a new approach to performance monitoring and statutory reporting.
  - an appraisal system linked to performance management for Directors and Heads of Service.
- 12 The Council is rolling out the new Performance Management Framework for consistent use throughout the organisation and, in the interests of learning and improvement, it is expected to continually evolve as it becomes embedded. The Leadership team intends to remain closely involved and continue to provide direction and oversight.

### **Robust quality control arrangements for service planning will be critical to the overall effectiveness of the new Performance Management Framework**

- 13 To support the gathering and reporting of performance data as part of the new framework, the Council devised a new service planning template. This template is detailed and requires officers to identify and list the different service activities that support each of the Council's nine wellbeing objectives as set out in the County Plan, and each of the eight characteristics of an Outstanding Council set out within its statutory self-assessment. Service plans will contain key actions, performance measures and targets which align to the corporate priorities as set out within the County Plan and supporting annual Delivery Plan. This will help services evaluate how their actions contribute towards delivery of the County Plan and their impact. In turn, this should enable more effective corporate monitoring of progress.
- 14 At the time of our review, some services were working on setting baseline data during 2023-24, so not all actions and measures within the service plans will have a target for 2023-24. The Council needs to assure itself that all baseline information is finalised during 2023-24 to be able to demonstrate the services' level of ambition and inform performance reporting from 2024-25 onwards.
- 15 These new templated service plans, as and when completed comprehensively using relevant and robust information, should provide the Council with the necessary information to evaluate and report progress on its ambitions as set out within the County Plan, annual Delivery Plan and statutory self-assessment. However, should completed service plans lack quality, this would destabilise the framework and undermine the Council's ability to demonstrate improvement. We consider that robust quality control arrangements for service planning will be critical to the overall effectiveness of the new Performance Management Framework.

## **The new Performance Management Framework is reliant on good use of relevant measurement data if it is to support the Council to effectively evaluate the performance of its services and the impact of its improvement activity**

- 16 The ability to demonstrate 'the difference' it is making to its residents and service-users is important to the Council and it is striving to ensure it is more evaluative in future. The newly developed Performance Management Framework is key to enable this to happen. The Council needs to be assured it has access to robust and appropriate measurement data to evaluate its service performance over time and gauge whether its improvement actions are realising their intended benefits and impact. Where such data is not currently held, the Council needs to develop the skills and confidence necessary to research available data and intelligence and to develop and introduce new performance measures as necessary.
- 17 During our review, we have seen elements of the new Performance Management Framework where more work is needed in this respect. For example, the Delivery Plan 2023-24 contains the Council's nine wellbeing objectives and the activities/programmes and projects that will assist the Council in progressing towards the objectives during 2023-24. It is currently a high-level document setting out which team is responsible for each defined activity, and the targets and milestones which are expected to be achieved over the period. However, it does not contain baseline performance data. The inclusion of appropriate baseline data would significantly enhance the effectiveness of the delivery plan by clearly presenting the current state against which to measure and evaluate improvement and provide context for stated targets and ambition.
- 18 Also, our recent Wellbeing Objective setting Examination<sup>2</sup> report to the Council identified that, 'the Council was still developing the range and quality of the information it needs to robustly self-evaluate progress. There is more work for it to do to marshal, challenge and present this information both internally and in the public domain if it is to be able to clearly demonstrate the progress it is making towards delivering its wellbeing objectives over the longer term'.
- 19 The Council recognises that it does not yet make the best use of available data in measuring its performance and evaluating the impact of its improvement actions. To help address this, the Council engaged an external Power BI<sup>3</sup> consultant who has worked initially with Children's Services and more recently with Adults' Services and the digital team.
- 20 The Council is ambitious in its plans to utilise Power BI as a means of improving its use of data, and the PMO is now supporting its development as a corporate project. A recent focus has been on developing in-house skills, with four officers

<sup>2</sup> We reviewed to what extent has the Council acted in accordance with the sustainable development principle when setting its new wellbeing objectives.

<sup>3</sup> Business Intelligence software that provides tools for data analysis and visualisation.



attending Power BI training in February 2023. The Council is also exploring partnership working and sharing resources with other councils to continue the Power BI journey, although this is still at an early stage.

## **The Council is introducing arrangements to enhance accountability and challenge through more frequent and wider internal reporting of performance information**

- 21 The PMO supports services with the planning and delivery of programmes, as well as supporting key strategic priority projects to maximise outcomes. The PMO aims to provide a corporate methodology and visibility with clear parameters to monitor progress in delivering programmes and projects. It monitors progress of strategically important projects through monthly meetings where highlight reports are presented to help identify and address any issues arising in a timely manner.
- 22 Each Strategic Director reports performance to the Leadership Team using a balanced scorecard approach as part of a 12-week cycle. Leadership Team also receives quarterly County Plan progress reports. We have observed Leadership Team meetings and identified:
- good debate and discussion of performance as set out within balanced scorecards;
  - appropriate oversight and challenge to current performance, and direction in terms of improvement activities deemed necessary, and
  - a commitment to drive improvement in the range and quality of the data contained within the scorecards to enable more effective measurement and evaluation.
- 23 The regular presentation of performance at Leadership Team meetings provides the Council with assurance where services are performing as expected as well as the opportunity to identify and, if necessary, scrutinise areas of unsatisfactory performance in a timely manner and collectively agree a way forward.
- 24 In June 2022, the Council sought to improve oversight and accountability for its performance by increasing the frequency and detail of the performance reports provided to its Policy Development Forum<sup>4</sup>. The forum now receives two performance reports each quarter, one of which provides 'digging deeper' detail in relation to an area identified as being a cause of concern.
- 25 Currently, scrutiny does not receive performance reports or service plans to inform scrutiny members understanding of current performance and future service ambitions. However, the scrutiny function is to have greater involvement in examining the Council's performance in future.
- 26 The intention is for scrutiny to receive two performance reports each year as part of the wider performance management framework. For scrutiny to provide effective

<sup>4</sup> Forum attended by Cabinet members and Leadership Team.

challenge on performance reporting, the Council needs to ensure that scrutiny members are clear as to the role they are expected to undertake and the intended purposes and outcomes of their planned scrutiny activity.

- 27 In addition, as scrutiny committees only receive one main agenda item per meeting, the Council needs to consider how performance reporting can be scheduled into the forward work programmes. Also, it is considered good practice for Cabinet members to attend scrutiny committees to be 'held to account' when performance is reported in relation to their portfolios, and the Council may wish to factor this in when scheduling forward work programmes.





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