Wiltshire Council Performance and Risk Management Policy

February 2019

Document control

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Intended Recipients	Leaders, councillors and staff of Wiltshire Council. Specifically, Cabinet, CLT and heads of service.		
Group/Persons Consulted:		Responsible Cabinet Member Performance and Risk leads across council services Internal Audit Financial Planning Task Group	
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Contact for Review		Toby Eliot, Corporate Support Manager	

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1 Introduction

Wiltshire Council's vision is to create stronger communities in the county. We will achieve this by growing the economy, providing the building blocks for strong communities, protecting those who are most vulnerable and becoming an innovative and effective council.

Wiltshire Council will use performance and risk management alongside strong priority based budgeting to ensure that the work undertaken by the council's services and partnerships is delivering the stated priorities of the council while maximising the use of available resources.

The purpose of Performance Management is to evaluate the efficiency and effectiveness of the work undertaken by the council, to understand where improvements can be made and to prioritise those changes to delivery.

The purpose of Risk Management is to provide decision makers with evidenced assessment of the likely impact of their decisions for the people of Wiltshire and on the council as a whole. It also enables decision makers to identify and evaluate emerging risks, consider mitigating factors and adapt plans accordingly.

Performance and risk management sit together with financial management in helping guide the decisions of Wiltshire Council and helping shape the ongoing change within the County and facing the organisation. Performance and risk management operate at the corporate level and at each outcome and service level. This policy covers all general principles for performance and risk management across Wiltshire Council.

2 Aims

The aim of this policy is to ensure delivery of our priorities by providing a clear framework for managing Performance and Risk Management across the council.

By achieving this the Council will improve its ability to:

- Articulate our priorities in terms of performance outcomes
- Prioritise what gets done within the resources available
- Provide and demonstrate value for money
- Provide excellent services for the community
- Improve delivery of outcomes
- Motivate and manage our staff who are the key resource

- Improve the way we use information to make decisions
- Enhance the link between risk and the performance of the Council

3 Objectives

This policy and its related guidance set out how Wiltshire Council will:

- Provide an understanding and overview of performance and risk across all council services to improve the corporate decision making process.
- Define an outcome based planning process to align the work of all services across the council.
- Assess, record, monitor and manage performance outturns and risk at strategic and operational levels
- Ensure that all staff have an understanding of the success of their input into the delivery of outcomes and have a clear knowledge of where there is a need to change and improve.
- Ensure that work undertaken by the council and partners is aligned to the delivery of the council's strategic priorities and that the measurement of the success of that work delivers the ambition in the council's Business Plan.
- Ensure that risks that have an impact on the council's ability to achieve its strategic priorities are identified, understood and managed at appropriate levels. And that, with the setting of appropriate risk appetites, risk management is seen as an enabler of change.

4 Principles

The following apply across Wiltshire Council:

Corporate responsibility
The monitoring and management of performance and risk across the council is set within a strategic context and the overview is owned by the corporate leadership team. Corporate teams will help collate the information identified and manage the corporate reporting to the Corporate Leadership Team (CLT) and Cabinet, but the accountability and responsibility of identifying, recording, monitoring and managing risk, performance and planning sits with Heads of Service and with Directors[1].

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[1] The Corporate Leadership Team is also assessing the viability of establishing a Business Intelligence Hub – a professional BI community that will analyse and evaluate data and turn it into an actionable business intelligence and insight that drives transformation for our customers.

The BIH will provide a service to all parts of the organisation to help make more informed decisions that maximise productivity and operation efficiencies, encourage innovations and make services run smarter. Roles and responsibilities are subject to change based on the potential for the development of a BIH (February 2019).

The Corporate Assurance Framework (performance, risk and financial management) is described in the diagram below.

Wiltshire Council's Corporate Assurance Framework
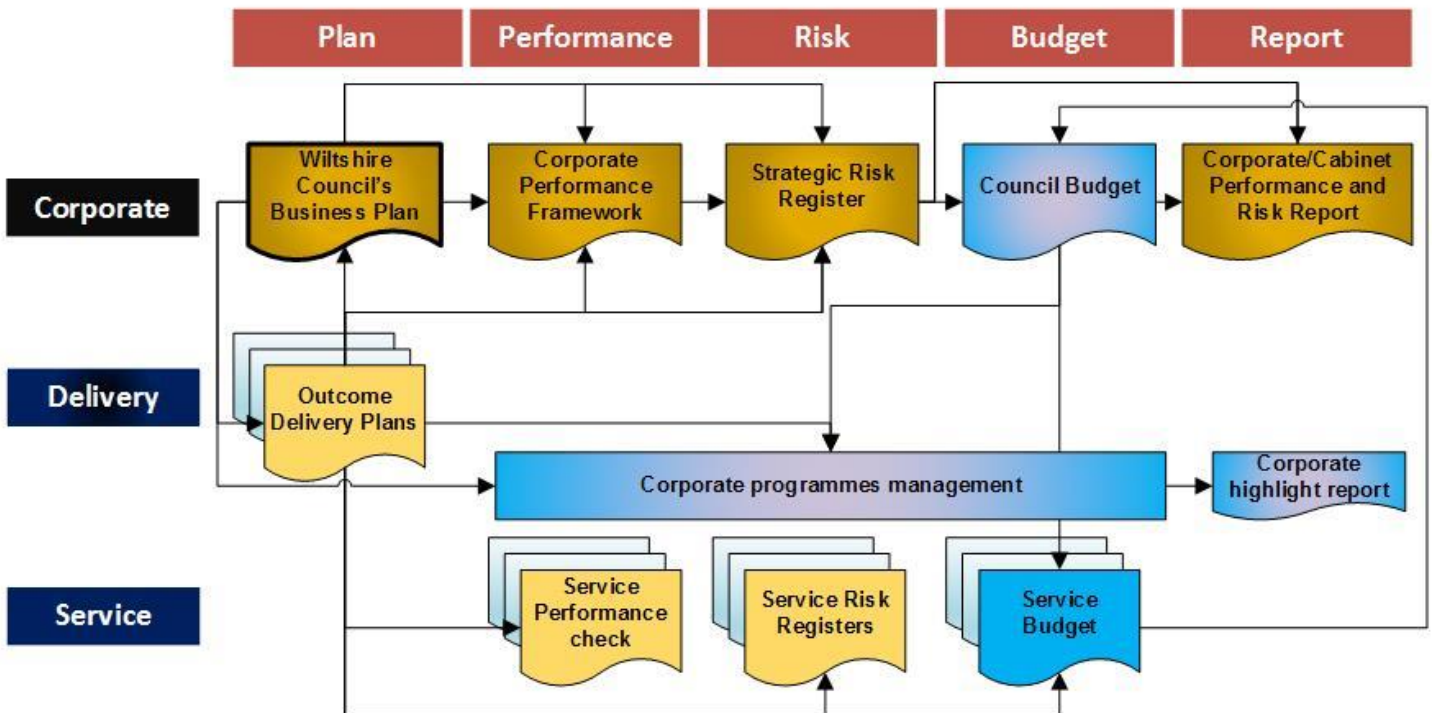
Reporting at the highest level will be in summary and by exception. Not all the information will be reported on every occasion but all the information will be collated and available to review.

Business Planning

Outcome delivery planning will be used to direct activities across the organisation; identify risks and performance measures that inform the organisation about its ability to meet its stated priorities; underpinned by comprehensive resource planning across the council and identifies what the council will do differently to achieve its priorities with its given resources

Performance Management

Performance is viewed in relation to the stated outcomes in the council's business plan. The reporting of performance at an organisational level is viewed through the ambitions and framework of the business plan.

Data and information will be aligned (alongside priority based budgeting), reworked and studied to provide effective performance management information in order to make robust strategic decisions.

Data and information used will be accurate, timely and appropriate to the matter in hand.

Risk Management
Risks are defined in relation to the organisation's ability to achieve its stated priorities and underlying goals in the business plan. Strategic Risks will be managed at the corporate level.

Risks will be owned and managed in service areas and, through a process of defined escalation, reported at a corporate level.

5 Business Planning Process

Business planning will develop the actions to be undertaken to deliver the priorities set out in the council's Business Plan. Business planning enables CLT to ensure that resource is being allocated to deliver the stated priorities of the council while maximising the best use of available resources. The Corporate Leadership Team will ask services what they need to do to in order to help deliver the council's business plan priorities. Plans will be completed cross-service to deliver individual identified outcomes. This will enable the council to align the work of all services to deliver the agreed outcomes.

Outcomes around which delivery plans are established will be developed from Wiltshire Council's Business Plan. The planning process will be owned by CLT and individual Directors will own their respective individual delivery actions. Each outcome plan will involve actions from a number of service areas.

Business planning will take place in the final quarter of the financial year (January to March) influenced by and influencing the proposed budget for the following three years and, in turn, influencing the budget planning process in the following year.

Enablers of change will be identified, defined and underpin specific outcomes. Outcome delivery plans will cover a rolling four-year period. Change actions will be planned over those four years.

Once an action is described the resource (support from elsewhere in the organisation) and the links to the major corporate programmes will be identified. Then the governance framework (measure of success, decision gateways and risks) will be described. The information provided can then be used across the council.

Risks identified will be lodged on the appropriate register.

Corporate support will provide advice as to how to define a measure that may be added to the Corporate Performance Framework or for a Corporate Director's scorecard.

6 Performance Management Process

A continuous cycle of performance management will drive the decisions on service priorities and resource allocation across the Council. Performance information will inform planning at output, outcome and corporate level. Monitoring of performance at each of those levels will lead to revision of what is undertaken in order to deliver the council's strategic priorities.

Performance measures will be identified through the business planning process either during the annual review or at other time during the year. Output measures will be identified by those services that contribute to planned activity designed to achieve a specified outcome. A dialogue, including positive challenge, with the Corporate Performance and Risk Team allows the identified measure to be included on the Corporate Performance Framework (CPF).

The CPF is a matrix of performance measures that identify progress towards business plan priorities. Measures are recorded against specific business plan outcomes rather than the major priority or the grouped goal ensuring that the detail of the business plan is aligned to service level activity.

Measures are also grouped by what they tell the organisation. The four groups are:

i)   **Outcome.** Achieving intention. The impact that what we do is having, directly related to our expressed ambition. A measure of effectiveness. Can be framed as benefit realisation**.**

ii) **Output.** Achieving a key milestone which will have a positive impact in the longer-term Outcome

iii) **Process.** How well the system works. A measure of our efficiency of the activity planned to deliver outcomes.

iv) **Volume/Prevalence**. The amount of work done or required. A 'number of' or a proportion or ratio for comparison

The council has a preference for outcome measures that clearly describe success. However, it's often the case that outcome measures are not available or it is difficult to draw a direct cause/event relationship between work done and the outcome and therefore it's essential to be able to use other measures that demonstrate contribution to outcome.

Measures are reported quarterly in accordance with the guidance available in the performance and risk section of SharePoint. It's understood that some measures will be reported more and some less frequently according to the nature of the measure. All measures will be available for review at a set point after the quarter end.

Measures that appear on the CPF will be fully defined including how they link to the business plan, at what level they can be reported and how an assessment of progress is made. There will be a calculated assessment of progress after each submission for each measure. The parameters of this calculation are variable in order to take account of different types of measure[2].

7 Risk Management Process

Monitoring, managing and responding to risks are pre-requisites if we are to have confidence in delivering our business plan priorities or to continue to improve our services.
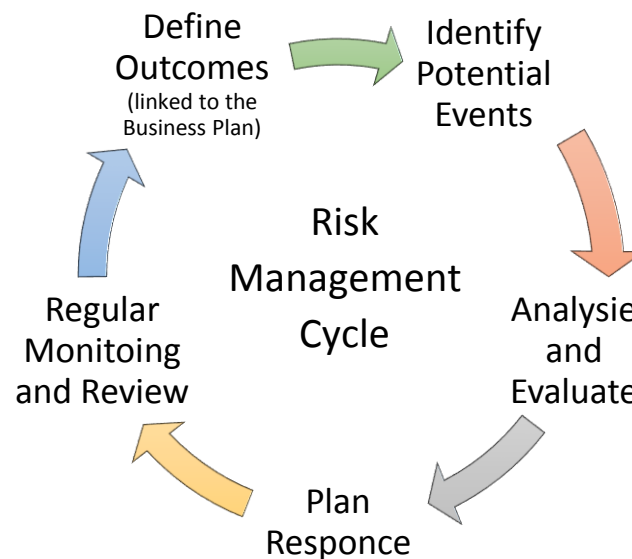
The risk management process is a cyclical process. The Council's approach to the assessment of risk is set out in the guidance available on the performance and risk management area of SharePoint.

Risk assessment is a planned and systematic process starting with the defined outcomes.
- Identifying the events that can have an impact on achieving outcomes;
- Analysing and evaluating the potential likelihood and impact of the risk;

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[2] Ongoing work to develop a Businesses Intelligence Hub and establish the technology to support the hub will develop the recording, monitoring and reposting of performance measures from across the council.

- Planning response including: identifying and taking appropriate actions to mitigate the risk;
- Proactively monitoring, reviewing, communicating and responding to risks on a regular basis.

Define Outcomes (linked to the Business Plan) → Identify Potential Events → Analysie and Evaluate → Plan Responce → Regular Monitoing and Review → (Risk Management Cycle)

The assessment methodology is appropriate for use in service assessments, business cases, programmes, projects, partnerships and developing contracting / procurement exercises in supporting identification of risks and mitigating actions.

Risk management requires an assessment of the response to a risk. In some circumstances, it is appropriate to tolerate the risk as it is rather than spend resources attempting to mitigate that risk further.

The risk management assessments will be held as linked-to detailed risk action plans where appropriate.

Risk appetite is the amount and type of risk that the council is willing to take in order to achieve its strategic priorities. A risk appetite will be set for each of the major category of risk. This will be approved by CLT and reviewed on an annual basis.

All service risks will be recorded on service risk registers. These registers are held centrally and used to combine and report risk. Risk registers are living documents and therefore must be reviewed regularly and amended as appropriate. The risk registers are to be monitored at least quarterly, unless a significant event has occurred that warrants early updating and exception reporting.

Risks do not remain static, so regular reports on the Council's risks are essential for keeping all stakeholders informed of the changing conditions, our past performance in dealing with risk and our plans for dealing with future risks. This can help ensure

that any serious risk is effectively managed and promptly drawn to the attention of the relevant level of management.

Risk across the council will be reported quarterly to CLT and Cabinet in the form of a strategic risk register (SRR). This risk register will combine significant service risks and corporate composite risks. Other risk will be reported by exception.

Service, project and directorate risk registers will be used to understand and manage risks at all levels of the council.

Support for services in identifying, quantifying, assessing and managing risks will be available from the corporate Performance and Risk team.

8 Roles and Responsibilities

All members, managers and employees need to understand the role of performance management as well as the nature of risk. Everyone in the organisation should accept accountability and responsibility for managing and improving performance and reviewing and managing those risks associated with their area of activity.

Wiltshire Council's constitution identifies some responsibility for the management of performance and risk. Part 3, (3.3.1) says that the role of the Leader of the Council within the Budget and Policy framework includes probity and financial monitoring and risk management. While, section C, appendix 2 (also part 3) identifies the Cabinet member for Finance, Procurement, IT and Operational Assets as responsible for Performance and Risk.

In addition, this policy ascribes the following roles:

Cabinet members:
- Hold the Corporate Leadership Team accountable for the effective management of risks by officers and of decision making based on performance evaluation.
- Approve the Performance and Risk Management Policy.
- Review significant risks on the Council's risk register every quarter.
- Review key performance against the business plan every quarter.

Audit Committee:
- Monitor and review the effective development and operation of performance and risk management, and to receive progress reports as required;

Financial Planning Task Group
- Review the quarterly Cabinet Performance and Risk reports on behalf of the Overview and Scrutiny Management Committee (OSMC).
- Annually review the Corporate Performance Framework on behalf of the OSMC.

All members:
- Understand the principles of performance and risk management and consider performance evaluation and risk assessment as part of the decision-making process.

Corporate Directors
- Champion performance and risk management across the council.
- Make outcome planning a key part of strategic planning.

Corporate Leadership Team (CLT):
- Take responsibility for the Performance and Risk Management Policy and related guidance
- Own the business planning process.
- Consider regular reports on the Council's performance and risk management arrangements and significant performance outturns and major changes in risks with exception reports as appropriate. Own and approve changes to the Corporate Performance Framework.
- Own and approve changes to the Strategic Risk Register.
- Ensure a consistent approach to performance and risk management across the council.

Directors for Finance and Corporate Functions & Digital
- Be responsible for the effective reporting of Performance and Risk Management in combination with Financial Management.
- Ensure the outcome planning process is applied effectively and adhered to.

Directors
- Take a lead for outcome planning.
- Identify individuals to act as lead contact with the Performance and Risk team.
- Make performance and risk management a key part of the management process.
- Take ownership of directorate scorecards and risk registers.

<u>Heads of Service and Managers</u>
- Have an understanding of performance and risk management and their benefits; identify training requirements for their service areas and actively promote performance and risk management ensuring that the guidance is followed.
- Put in place arrangements for the effective management of risks – identifying, evaluating, managing, communicating and responding to risks through the structured approach in this Policy and the supporting Risk Management Guidance.
- Make performance and risk management the basis for changes delivered in teams.

<u>Internal Audit</u>
- Provide assurance on the effectiveness of the performance and risk management policy and processes.

<u>The Performance and Risk Team:</u>
Responsible for the effective integration and delivery of performance and risk management arrangements into the way the Council works in order to support performance improvement. Key aspects include:
- Support, challenge and inform Cabinet, CLT to ensure process is appropriate and followed.
- Produce and provide reports on performance and risk as described in the *Reporting* section of this policy.
- Support services to complete the outcome planning process then coordinate the dissemination and correlation of the data produced from that process.
- Produce detailed guidance on the process of performance management, risk management and output planning at all levels of the council.
- Promote a risk aware culture, promote risk management practice and an awareness of the council's risk appetite.
- Promote an understanding of Performance management and the role it plays in decision making at all levels.
- Provide support for service leads to report on both performance measures and risk assessment.
- Quality assure the information provided in service planning, performance and risk management.

<u>All Staff</u>
- Support managers in the identification, assessment and reporting of risk and report emerging risks to line managers.

- Understand the performance information the team produces and your contribution to that performance.
- Contribute to service plans and understand how individual tasks fit within it and link to the council's business plan.

9 Reporting

The reporting of performance, risk and outcome plan information will be done across all levels of the council with data, information and intelligence. Specifically, the following regular reports are produced[3].

Corporate Performance and Risk Report:
- Produced quarterly and delivered at the Cabinet in the final month of the following quarter.
- Includes at least one measure that relates to each of the identified business plan outcomes and includes commentary to explain the measure, the performance and the inferences drawn. Will often include comparisons and trend information. All measures are drawn from the corporate performance framework.
- Where possible a link will be drawn between the performance reported and the quarterly budget monitoring.
- The Strategic Risk Register along with an explanation of change and commentary designed to promote Cabinet and public understanding of the risks faced by the council.
- Produced by the Performance and Risk Team with input from the Finance team and all relevant directors.
- Additional areas of focus suggested by the responsible Cabinet member or CLT.
- The report passes CLT and the Financial Planning Task Group on its way to Cabinet.

Outcome Scorecards:
- One for each identified Business Plan outcome, produced quarterly or another schedule set out by the Corporate Director.
- A combination of performance measures, service level risks and financial information.

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[3] The types, frequency and contents of reports is subject to change based on the potential for the development of a Corporate Performance Hub, which is currently being explored, and the ongoing Corporate Business Intelligence review. (February 2019).

- Reported to a meeting including the Corporate Director, relevant members of Cabinet and invited heads of service. Used to discuss progress, priority and resources.

Reports to the Audit Committee
- Annual report from the Performance and Risk team which covers the effectiveness of corporate performance and risk management and the changes made over the previous 12 months.

Service level reports
- Provision of up-to-date automated scorecards, risk registers and performance checks created as part of the data reporting process.
- Risk registers and performance checks to be used in management meeting to help make strategic service level decisions.

Other reporting will be available on an ad hoc basis.

10 Glossary

Corporate composite risks	Risks that show the combined risk of broadly similar hazards identified in a number of different service areas.
Corporate Performance Framework (CPF)	Measures, grouped by type, linked to outcomes in turn linked to priorities.
Data	Factual information used as the basis for decision making.
Information	Organised or structured data that has been processed and can be used for a specific purpose.
Intelligence	Interpretation of information to provide understanding in context.
Measure	Normally numerical. A set of data that is fully defined and tells the organisation something about progress towards an outcome.
Outcome	A statement of effectiveness linked to priorities and expressed in terms of customer of business purpose.
Performance Management	Evaluating work done and progress towards objects set, then making changes to future activity to ensure continued or improved progress.
Priorities	The Council's \business Plan describes three main priorities: • Growing the Economy • Strong Communities and • Protecting the Vulnerable.
Risk Management	Full understanding of the impacts of potential future events and making decisions about actions as a result.
Significant service risks	Risks that relate to a particular service area, but should they become an issue will impact across the whole organisation and whose mitigation is the responsibility of more than one service area.
Strategic Risk Register (SRR)	Risks that have been elevated from the service and provide an overview of the risks that have an organisational impact.

11 Related Documents

The policy is linked to the Council's Business Plan and is a response to it.

There are links to the reporting provided by the Council's Medium-Term Financial Strategy.

Service and Outcome plans are prepared and reviewed under the roles and responsibilities set out in this policy.

Appropriate guidance for officers working under the policy is provided by the corporate team.