
STATES OF JERSEY



PERFORMANCE MANAGEMENT – FOLLOW UP (P.A.C.1/2024): EXECUTIVE RESPONSE

Presented to the States on 26th July 2024
by the Public Accounts Committee

STATES GREFFE

FOREWORD

In accordance with paragraphs 69-71 of the Code of Practice for engagement between ‘Scrutiny Panels and the Public Accounts Committee’ and ‘the Executive’, the Public Accounts Committee (PAC) presents the Executive Response to the PAC report titled: ‘Performance Management - Follow up’ (P.A.C.1/2024, presented to the States Assembly on 28th March 2024).

Deputy I. Gardiner

Chair, Public Accounts Committee

COMMENTS

The PAC has reviewed the Executive Response to its report ‘Performance Management – Follow up’ and has the following comments to make.

Overall Response

The PAC notes that of the five recommendations made within the report, three have been accepted and factored into the overall action plan for implementation and two have been rejected. The overall action plan for addressing the recommendations has focused on communicating performance management processes and ensuring there are clear decision-making structures in place. These areas of prioritisation are welcomed by the PAC, and it intends to follow this up with the Interim Chief Executive at a future quarterly public hearing in order to identify the progress made.

Recommendation Two

The PAC made the following recommendation that was not agreed within the Executive Response to the report:

The Interim Chief Executive and Chief Officer for Health and Community Services should create an action plan to raise the completion rate of employees within Health and Community Services entering objectives on Connect Performance during 2024 to above 50%. This should be implemented as soon as possible and be reviewed to ensure its effectiveness with a report being provided to the Public Accounts Committee on a quarterly basis. Establishing a clear strategy with related objectives and performance measurement indicators should be in place to drive and influence objective setting prior to fulfilling the Connect Performance program.

The PAC is disappointed to note the rejection of this recommendation. Within the evidence gathered for the review, the former PAC was provided with a table showing the completion rates of Connect Performance for employees who were in scope of the programme. The following data was provided:

Department	People in Scope	Objectives Approved	Mid-Year Review Complete	Year End Review Complete
Chief Operating Office	322	99.4%	97.8%	92.2%
Children Young People, Education and Skills	428	85.7%	74.5%	57.0%
Customer and Local Services	251	98.4%	96.0%	90.8%
Department for the Economy	49	100.0%	100.0%	100.0%
Department of External Relations	12	91.7%	91.7%	91.7%
Health and Community Services	1953	34.7%	23.7%	17.0%
Infrastructure and Environment	337	87.2%	69.7%	54.6%
Justice and Home Affairs	351	91.5%	81.8%	64.4%
Non-Execs	54	53.7%	50.0%	35.2%
Office of the Chief Executive	53	81.1%	67.9%	52.8%
Strategy Policy, Planning & Performance	136	98.5%	97.1%	94.1%
Treasury and Exchequer	303	89.1%	80.5%	63.0%
Grand Total	5213	53.2%	45.3%	37.2%
Connected Performance 2023: end of year outrun for all in scope employees.				

It should be noted that, of the evidence provided to the PAC for the completion rate across departments, Health and Community Services (HCS) sits significantly below (17%) the completion rates of the other departments and also has a significantly larger proportion of employees within scope than other departments. Noting this clear outlier in terms of completion rates, the PAC's recommendation was made to highlight this issue and prompt Government, and in particular HCS, to address this and bring the completion rate in line with other departments. The Government's response to this highlighted that the focus at this stage should be on improving performance management across the public service as a whole rather than being focused on one specific department. The PAC notes this decision, however, given the significantly lower completion rate within HCS than within other departments, it continues to hold concern that not having a specific action plan to tackle the completion rate in HCS in particular will create a high-risk environment.

Whilst there is a commitment from Government to revisit and address this decision if it appears there are particular operational or cultural factors which present unique barriers to progress, the PAC expects to see more evidence of how completion rates are going to be improved. Without adequate performance management data it is not possible to fully report on overall performance of a service. Noting the particular challenges associated with HCS as a department (including use of locum and agency staff), the PAC will be requesting further evidence from the Chief Officer in order to identify what steps are being taken within the department to raise completion rates in line with the overall plan for Government.

Further evidence will also be sought by the PAC as to how Government intends to raise the completion rates for all Government Departments in due course.

Conclusion

Overall, the PAC notes that actions are due to be taken in order to improve performance management processes across Government. Whilst it is pleased to note the commitment made within the action plan accompanying the Executive Response, the PAC has raised concern around the lack of a specific action plan to raise the completion rate for objectives set on Connect Performance within HCS. It will be seeking further information from the Chief Officer for HCS as to how this is being improved and also information from the Chief Executive as to how completion rates are planned to be improved across Government services for employees within scope.

SUMMARY OF RESPONSE

The Acting Chief Executive welcomes this report. It includes a number of helpful findings, which will be used to improve performance management processes. The principles behind the findings and recommendations are supported. There is a need to continue to embed an improved culture of objective setting and follow up across the organisation, as well as recognising and building on good performance. Three of the recommendations make additional contributions to current risk mitigations and are agreed. The other recommendations are understood, but those specific actions are not required or not prioritised at this time for the reasons set out below. The prioritised action plan, below, continues the focus on improving the overall understanding and culture of performance management, supported by transparent reports on completion rates and updated terms of reference for the Executive Leadership Team.

We will continue to work with the Comptroller and Auditor General and Public Accounts Committee, using their findings and recommendations as a basis for improvement. A prioritised action plan and risk assessment is outlined below. We will track the delivery of the actions.

Prioritised improvements to address recommendations:

Action theme	Actions	Target date	Responsible Officer
Communicate performance management processes	i. Deliver a programme of training and information sharing to help ensure that performance management is better understood across the organisation and to promote improved completion rates for objectives and performance reviews.	End Q1 2025	Chief People Officer
	ii. Provide a report to PAC on completion rates for objectives and performance reviews biannually, at the end of September and end of February.	End Q3 2024	Chief People Officer
Clear decision-making structures	iii. Review Executive Leadership Team and Operating Committee terms of reference to ensure that they have clear remits aligned to delivery of strategic objectives and leadership of the public service.	End Q3 2024	Head of Office

Risk Assessment and decision rationale

Recommendations	Is the recommendation agreed?	Risk of non-implementation	Risk profile (E,H,M,L)	Other considerations in prioritisation	Link to improvement plan
R1 The lines of responsibility and accountabilities for the Head of Office of the Chief Executive should be clarified following the transfer of responsibility for oversight of the recommendations tracker and associated implementation ensuring no critical items previously covered were now missed.	Not agreed. The Head of Office is responsible for ensuring that a robust assurance framework for addressing matters raised by the C&AG, PAC and Scrutiny Panels is in active use across the wider public service . The Head of Office is not responsible for implementation of action plans themselves, as this is the responsibility of relevant chief officers. However, implementation actions previously allocated to the Chief of Staff have now been reallocated to the Head of Office.	If direct lines of accountability are not drawn between the Head of Office and departmental tracker leads, then organisational levers will not be in place to ensure delivery of action plans and overall progress reporting, meaning that action plan outcomes may not be delivered. This risk can be managed in other ways, as described in other considerations column.	Low	The Head of Office will work closely with all departments and the C&AG and PAC to evolve and mature the organisational processes involved in implementing recommendations of C&AG and PAC. This will include an improved consideration of organisational and departmental risk profiles associated with the implementation of recommendations. This will mean that critical items for delivery are not missed through gaps in oversight. Performance concerns will continue to be highlighted to the CEO, as metrics related to C&AG and PAC recommendations are included in chief officers' performance management reviews to ensure accountability for implementation.	Part of business as usual actions for Head of Office.
R2 The Interim Chief Executive and Chief Officer for Health and Community Services should create an action plan to raise the completion rate of employees within Health and Community Services entering objectives on	Not agreed. The focus at this stage should be on improving performance management across the public service as a whole, rather than being focused on a specific department. This may be revisited in the future if there are	There is a risk that completion of objective setting would drop to/remain under 50% in some departments, which could mean that poor performance might not be effectively managed, thereby	Medium	Data regarding completion rates are visible and readily available to chief officers and their departments to help support their improvements. This includes HCS. Support to improve completion rates can be commissioned by chief officers.	Whilst the recommendation is not agreed for a single department at this time, the principle behind the recommendation is understood and supported. All departments are expected to raise/maintain completion rates. Reports are now run

<p>Connect Performance during 2024 to above 50%. This should be implemented as soon as possible and be reviewed to ensure its effectiveness with a report being provided to the Public Accounts Committee on a quarterly basis. Establishing a clear strategy with related objectives and performance measurement indicators should be in place to drive and influence objective setting prior to fulfilling the Connect Performance program.</p>	<p>shown to be particular operational or cultural factors which present unique barriers to progress in certain departments and require additional support.</p>	<p>reducing the effectiveness of those parts of the public service. Those who currently make less use of the Connect system are understood and work continues with departments on improving engagement with performance management systems.</p>			<p>to ensure visibility of completion rates for senior leaders in departments and ELT. Actions outlined in Communicate performance management processes will ensure that performance management is better understood across the organisation, promoting improved completion rates, and providing reports to PAC.</p>
<p>R3 The States Employment Board should ensure that a consistent format and process for the appraisal and objective setting of the Chief Executive Officer is clearly established and put in place prior to the appointment of a new permanent Chief Executive Officer.</p>	<p>Agreed. The CEO, as Head of the Public Service, should follow the same performance management process as the public servants they are responsible for leading.</p>	<p>If performance management is not consistently taking place at the top of the organisation, then work to continue to enhance the culture of performance management may be less effective.</p>	<p>Medium</p>	<p>A consistent approach to performance management should be followed at all levels of the organisation to ensure consistency and common processes.</p>	<p>Complete: the CEO is subject to the same performance management process as other public servants and the policy should be applied consistently and equally to the CEO.</p>
<p>R4 The Interim Chief Executive should ensure that the improvements implemented by the former Chief Executive in relation to the Chief Officer appraisals are</p>	<p>Agreed.</p>	<p>If performance management is not consistently taking place at the top of the organisation, then work to continue to enhance the culture of performance</p>	<p>Medium</p>	<p>A consistent approach to performance management should be followed at all levels of the organisation to ensure consistency and common processes.</p>	<p>Complete: the Chief Officers are subject to regular performance reviews by the Chief Executive Officer in line with the policy that applies to all staff.</p>

<p>maintained and formalised in time for incoming permanent Chief Executive.</p>		<p>management may be less effective.</p>			<p>It should also be noted that making further enhancements in this area is already a performance objective for the CEO.</p>
<p>R5 The Interim Chief Executive should ensure that a Terms of Reference for the operation of the Extended Leadership Team is reviewed and updated as a matter of priority. This should clearly set out the purpose and aims of the group and highlight how its own performance is evaluated, measured and reviewed. This should be completed and put in place by the end of Quarter Three 2024.</p>	<p>Agreed.</p>	<p>If the Terms of Reference are not kept aligned to the current organisational context, then there is a risk that governance arrangements will be suboptimal and the effectiveness of the Executive Leadership Team may be reduced.</p>	<p>Medium</p>	<p>The terms of reference for chief officer decision-making structures should be reviewed periodically to ensure good corporate governance.</p>	<p>Actions outlined in Clear decision-making structures will ensure that terms of reference are reviewed and updated.</p>