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Environment, Planning and
Sustainable Development

Service Agreement

Performance Management Strategy

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The Service Agreements Issue Management Plan will be reviewed and updated annually in line with new Service Agreements.

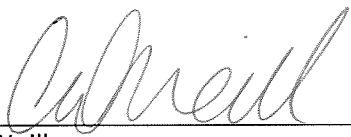
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Approvals

Version	Name	Role	Date
1.0	Chris Reynolds	Chief Operating Officer	21 March 2018

Authorisation

The Service Agreement Performance Strategy is endorsed by the Director Governance, Compliance and Legal in Environment, Planning and Sustainable Development Directorate.



Carolyn O'Neill

April 2018

Director Governance, Compliance and Legal

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Related Documentation

This document should be read in conjunction with the following documents:

Document Name	Objective Reference
Service Agreement Between Environment, Planning and Sustainable Development Directorate and the Suburban Land Agency	A14611869
Service Agreement Between Environment, Planning and Sustainable Development Directorate and the City Renewal Authority	A14611686
Service Agreement Between the Suburban Land Agency and the City Renewal Authority	A14612014
Implementation Strategy - Environment, Planning and Sustainable Development Service Agreements	A14151357
Service Agreements Issues Management Plan	A14952254
Service Agreements Exception Reporting Standard Operating Procedure	A15264412

Service Agreement

Performance Management Strategy

Purpose

The Service Agreement Performance Management Strategy (the Strategy) sets out the approach for monitoring, assessing and reporting on the operation and performance of the inaugural Service Agreements and for driving performance improvement. It is a key strategy underpinning the Implementation Strategy - Environment, Planning and Sustainable Development Service Agreements.

The Performance Management Strategy is operationalised through the Service Agreements Issue Management Plan and the Service Agreements Exception Reporting – Standard Operating Procedure, which describe the processes for monitoring, assessing and reporting on service delivery and performance under the Service Agreements. Together the three documents provide an operational and governance framework within which the Service Agreements operate.

This Strategy identifies key roles with responsibility for ensuring that the Service Agreements produce the outcomes and efficiencies that the ACT Government expected when it established the City Renewal Authority (Authority) and the Suburban Land Agency (Agency)¹, and put in place the *Administrative Arrangements No.1/2017* that specify that the Environment, Planning and Sustainable Development Directorate (Directorate) provides administrative support for the Authority and the Agency.

This Strategy explains what is meant by Performance Management, where, when and how it is applied, and what everyone has to do to make it work effectively.

Scope

The Strategy refers specifically to the Service Agreements signed on 22 December 2017 between the Directorate and the Agency, between the Directorate and the Authority, and between the Agency and the Authority. The Strategy will be revised with future iterations of the Service Agreements.

It is an Environment, Planning and Sustainable Development Portfolio (Portfolio) level document so has application across the Directorate, Agency and Authority.

Why Performance Management is important

Performance Management is about generating the best possible outcomes, high levels of service and value for money for service users and customers. A definition of high performance is:

The simultaneous delivery of all three of these elements - quality of products and services, outstanding customer value, and sound financial performance.²

¹ Under the *City Renewal Authority and the Suburban Land Agency Act 2017*

² J.W. Pickering, "Building high-performance organizations" in T. Newell, G. Reeher and P. Ronayne (Ed.), *The Trusted Leader: Building the Relationships that Make Government Work* (pp.127-155). Washington D.C.: CQ Press. Cited in *Developing High Performance: Performance Management in the Australian Public Service*, 25 June 2012

The quality of services incorporates the goal of meeting the business outcomes, the needs and expectations of customers, as well as paying attention to the organisation's support systems and work processes to ensure they enable the organisation to perform best-practice process effectively. Outstanding customer value focuses on relationship development and maintenance with customers and other stakeholders.

The benefits of effective performance management are:

- Improved services;
- Increased value to the customer;
- Greater efficiency and effectiveness;
- Increased employee satisfaction through involvement and empowerment, and
- An action-orientated culture of continuous improvement.

Measures of performance incorporate satisfaction, responsiveness, service quality, timeliness, convenience, courtesy, competence of employees and issue resolution. Sound financial performance incorporates the minimisation of costs, the establishment of a good business model, and efficient systems. These measures reflect the outcomes sought by the ACT Government when it approved the Administrative Arrangements, as cited in the Service Agreements' Heads of Agreement, namely

- Avoidance of duplication
- Effective service delivery
- Standardisation
- Flexibility
- Responsiveness
- Mutual obligations.

Elements of Performance Management

The Directorate and the Agency, as service delivery organisations under the Service Agreements, aim to deliver the services to the standard agreed with their customers and understand that they will be judged by the services delivered.

In order to consistently deliver good performance, the Service Agreements have the following elements of performance management in place:

- Customer needs and priorities have been clarified through the Service Schedules;
- Performance standards against which to measure success are defined in the Schedules;
- A process and timeframe for monitoring and reporting on performance has been included in the Heads of Agreement, supplemented by this Strategy;
- Roles and responsibility for owning the performance management process are enunciated in the Heads of Agreement with mutual obligations clearly stated in the Service Schedules;
- Processes and systems to address issues and performance problems quickly and collegiately are in the Heads of Agreement, supplemented by the Service Agreement Issues Management Plan;

- The consultation process and provisions in the Heads of Agreement support the reinvestment and redirection of resources by the Directorate and the Agency (as service deliverers) to address changes in customer needs and priorities, and
- An emphasis in the Schedules on both the service deliverer and the service receiver meeting their obligations in the support of good performance.

This Strategy outlines an approach in which all these elements can be achieved and subsequent sections outline the approach in more detail.

Performance Monitoring and Reporting

Performance Monitoring

There are periodic and regular reviews of performance specified in the Service Agreements to determine that service delivery is on track or, if not, to ensure that timely action is taken to address the performance issues. Monitoring occurs at multiple organisational levels:

- Directorate and entity executive management teams monitor the efficiency and effectiveness of service delivery and the impact on business outcomes;
- Entity and Directorate contact officers, through the regular Contact Officer Meetings, provide advice on the operation of the Service Agreements and oversight the Issue Register;
- Account Managers and Business Support Officers for the Service categories in the Schedules monitor the operation and delivery of their respective service;
- Contact Officers monitor day-to-day performance by both the service deliverer and service receiver and ensure that issues are captured in the Service Agreement Issue Register and managed in accordance with the Issues Management Plan;
- Account Managers and Contact Officers authorise the reporting of exceptions to the delivery, performance or responsibility for services in the Service Agreements Exception Log, and
- Staff members report performance issues via their relevant Contact Officer for inclusion in the Exception Log and/or Issue Register.

Performance Reporting

The Service Agreements specify the submission of reports to key stakeholders over regular and defined timeframes:

- Quarterly report - provides a summary of services provided over the quarter to the Directorate's Chief Operating Officer (COO) and Agency and Authority Chief Executive Officers (CEOs). The first quarterly report covers the period to 30 March 2018.
- Annual report - to the Directorate Director General (DG) and Agency and Authority CEOs on the outcomes and outputs delivered through the Service Agreements. Note, the initial report will be a part-year report covering the period to 30 June 2018 and will be provided by 30 July 2018.
- Report to the Minister on the operation of Service Agreements and the service delivery model, to be provided by 30 July 2018.

Performance Assessment

The assessment of performance against the Service Agreements' performance standards will use a mix of qualitative and quantitative data including exception reporting, performance data, performance reports and the issue reporting. The data collection and performance assessment will be monitored by the Contact Officers and coordinated by the Directorate Contact Officer.

Performance assessment will be based on the following elements:

- Existing Data Sources - The use of existing data sources and reporting wherever possible, for example, Government Services, RiskMan and Freedom of Information data. Additional data collection will only be implemented where a clear value add outcome has been identified.
- Exception Reporting - The use of exception reporting, especially where there is clear trend of performance standards not being met. The Exception Log will be a source of exceptions and of trends that may warrant an alternate approach or resolution. Guidelines for Exception Reporting are provided in the Service Agreements Exception Reporting - Standard Operating Procedure.
- Issues Management – Issues will be recorded in the Issue Register and managed in accordance with the Issue Management Plan. Analysis of the Issue Register will be reported in the quarterly and annual reports.
- Key Performance Measures – The focus of reporting will be on 3-4 performance measures per Service category, to be agreed between the Account manager and entity Contact Officers. These measures will target areas that require monitoring (for example, contentious or critical services with resourcing implications) or will provide the most valuable feedback.
- Selected use of workflow - Objective workflow will be available in 2018 and is suitable for gathering quantitative data where there is a frequently repeated or linear process. Considerable effort is required to set up workflow, so it will be used selectively. Priority will be given to key, high risk or contentious areas, with compliance, government or administrative reporting requirements e.g. Government Services, records management. Processes are being trialled so it is expected that there will be limited use of workflow with the inaugural Service Agreements.
- Customer Survey – The Survey will be undertaken in May – June 2018 and the data and findings included in the end-of-year Performance Report to the DG and CEOs. The focus of the survey will be on gathering the customer's assessment of the value and the suitability of the services delivered, and understanding where needs and expectations are not being met. Input from Account Manager and Contact Officers will be sought on the topics and questions to be included and on survey recipients to ensure that primary users of services are included.

Sources of performance data are:

- Existing data and reports on quantity of services e.g. People and Capability. These provides insight into the level of demand;
- Use of Objective workflow across Government Services (dependent on ICT capability);
- Agreed exception reporting - Exception Log template is in the Exception Reporting SOP;

- Issues Register to capture exceptions to 100% compliance - template is in the Issue Management Plan;
- Customer survey, and
- Other reviews and audits of services categories.

Roles and Responsibilities:

The following positions have roles and responsibilities for performance management under this Strategy:

DG and CEOs	<ul style="list-style-type: none"> • Have primary responsibility to ensure the operation of the Service Agreements delivers performance and outcomes. • Along with their Executive Management Team, act as role models for the behaviours required for effective performance management.
COO	<ul style="list-style-type: none"> • Approve the Performance Strategy • Monitor delivery under the Strategy • Endorse Quarterly, Annual (end-of-year) and minister reports.
Directorate Contact Officer (Senior Project Manager)	<ul style="list-style-type: none"> • Oversee and administer the Performance Management System • Ensure that performance reporting deadlines are met • Collate and distribute quarterly and annual performance reports • Coordinate audits of performance systems as appropriate • Discuss targets and their suitability within their organisations • Coordinate support, training and mentoring for all aspects of performance management. • Directorate Contact Officer is the accountable officer responsible for implementing the Performance Management Strategy.
Entity Contact officers (Business Operations Managers)	<ul style="list-style-type: none"> • Oversee and administer the Performance Management System • Ensure that performance measures and reporting deadlines are met in their organisation, including receiver obligations. • Discuss targets and their suitability within their organisations • Coordinate the support, training and mentoring for all aspects of performance management.
Account Managers	<ul style="list-style-type: none"> • Ensure that their service team, procedures and tools are fit for purpose. • Ensure that team members understand and deliver against the performance standards in the Schedule. • Work with senior managers and the entity Contact Officers to manage service performance through this Strategy. • Develop a sound analysis of the customers' business – involving a detailed knowledge of relevant Performance Indicators and risks, and detailed sense of what the Performance Indicators are seeking to measure, know the main drivers that affect business performance. • Authorising exception entries in the Exception Log. • Monitoring all Performance Standards on a monthly basis.
Business Support Officers	<ul style="list-style-type: none"> • Ensure that team members understand and deliver against the performance standards in the Schedule. • Provide advice to staff on service performance through this Strategy. • Ensure performance data and exception reporting is being recorded. • Monitoring performance and delivery on a day-by-day basis.