



Deputy L Feltham
Chair
Public Accounts Committee

Via Email

19th May 2023

Dear Lyndsay

Performance Management – Follow up Review

In reference to your letter of 20 April 2023, requesting information to assist with your 'Performance Management – follow up' review; please find set out below our response to your questions.

I welcome this further review as an opportunity to reflect on our progress in improving performance management since March 2022 and to look at further improvement needed for the future.

I am sure that you appreciate that developing and embedding an enduring culture of continuous performance improvement takes long-term and sustained effort and resource. In my view we have made a good start by putting the fundamental building blocks in place and setting the ambition and tone to embed performance management as a priority across the organisation.

Our work since I have taken office has focused on building the following important foundations:

- Creating the right conditions for improvement – by investing in, enabling and supporting our employees to deliver to their potential, for example, through the People Strategy, and in particular focusing on People and Culture Planning and embedding values.
- Improving our systems and processes for individual objective setting and appraisal (see Question 1).
- Supporting the Council of Ministers in developing clear priorities for change and specific objectives through the 'golden thread' and Government Programme against which the performance of the organisation can be monitored (see Question 2)
- Working with SEB on accountability arrangements for performance
- Improving our systems and processes for monitoring and improving corporate performance (see Question 2) (although this is still a work in progress)
- Focus on Chief Officer appraisal processes so that they can lead by example and also getting as many people onto the system as possible
- Responding to the recommendations made by PAC and C&AG in respect of performance management (see question 3)

Continuing this work will clearly be a priority for the interim and new permanent Chief Executive Officer when appointed. I will ensure that they are given as thorough and seamless handover as possible to ensure the continuity of the work we have underway. I will also provide them with my recommendations on building the support mechanisms to enable this to happen in a systematic and effective way.

- 1. An overview of the current processes in place within the Government of Jersey for objective setting and appraisal of staff at all levels of the organisations (including the Chief Executive Officer and Chief Officers). The PAC would be happy to receive this in the form of a briefing if deemed appropriate.**

Objective Setting and Appraisal for Employees

A summary is provided below, however given the detail in this area, the Chief People and Transformation Officer is available to provide a specific briefing to PAC at a later date. This briefing could cover the detail of the purpose of Connected Performance, the performance cycle, additional functionality and progress in rolling-out, implementing and embedding Connected Performance across the organisation.

In January 2023 Connected Performance was launched as a replacement for the previous 'My Conversation, My Goals' process for objective setting and appraisal of staff. It is now used for employees at all levels of the organisation. (See below for Chief Officers.)

The role of the States Employment Board, working with the Chief Executive Officer and Chief People and Transformation Officer, is very important in ensuring the successful and sustained implementation of Connected Performance for all staff.

As of 16 May 2023, 5923 employees were in scope for Connected Performance. As Connected Performance becomes embedded we will bring more employees into scope. Those out of scope at this point in time include, for example, many of our manual workers. With these groups we are of course still encouraging employee - line manager conversations to take place.

Connected Performance uses the annual performance cycle that can be seen overleaf:

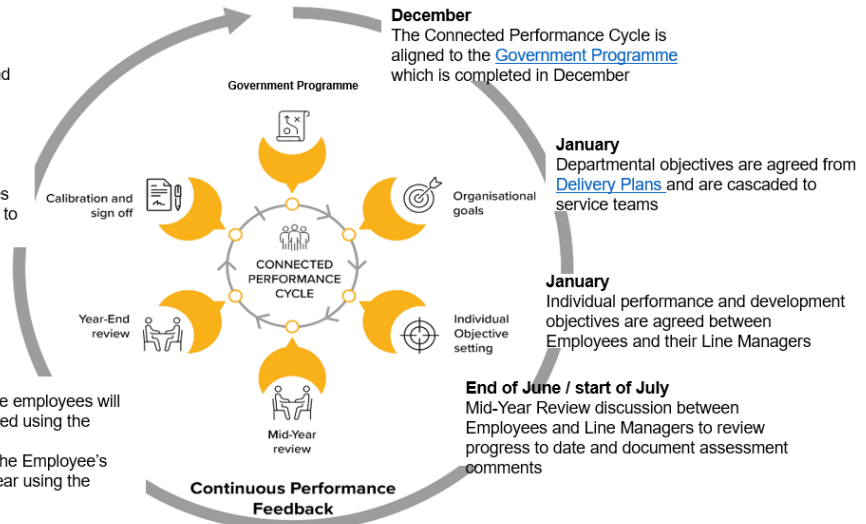
Connected Performance Cycle:

December / January

- Line managers will have support available from HR Business Partners throughout the performance calibration process. This is intended to ensure fairness, consistency and appropriate standards have been applied when reviewing and assessing employees performance and agreeing rating scales.
- Finalised ratings are signed off and communicated to Employees.
- Calibration of the provisional ratings ensures similar standards are applied to Employees to limit bias and to ensure everyone is ranked consistently and fairly.

December / January

- End of year performance review where employees will be assessed in what has been delivered using the agreed rating scales.
- An overall provisional rating given of the Employee's Connected Performance during the year using the agreed rating scales



Connected Performance uses the following categories by which to create performance objectives:

- Customer service* - what are you going to do to ensure a great customer experience in the area where you work?
- Financial* – What are you going to do to ensure good financial management and Value for Money in the work that you do?
- Risk and Health and Safety* – What are you going to do to make sure any risks that you encounter are considered and managed?
- Compliance* – What are you going to do to ensure that your work meets any required legal, professional, or mandatory requirements?
- Change/improvement* – What change or improvement ideas do you plan to take forward to help your team, service or organisation improve?
- People* – What are you going to do to ensure that the people you work with are supported, included and developed?
- Stakeholder Management* – What are you going to do to make sure that all the stakeholders who are interested in your area of work are kept up to date?

It should be noted that these categories can be supplemented with bespoke objectives tailored to specific roles or professions.

Objective Setting and Appraisal for Chief Officers

In addition to regular meetings with Chief Officers at which we review performance, delivery of programmes, problem solving, resourcing issues etc on an ongoing basis. I also now formally meet with Chief Officers each quarter to review more formally their individual performance.

At these meetings the following are discussed:

- Performance against objectives agreed at the start of the year

- Ministerial plan priorities
- Key risks and issues, including financial pressures
- Service performance measures, including customer experience
- Workforce situation and planning
- Personal development

In addition, Chief Officers also complete their annual Governance Assurance Statements which provide me with additional information about their performance in terms of implementing best practice corporate governance arrangements within their departments (see Question 2 below). I am aware that you have seen examples of these statements.

Since the previous Chief Executive was in place, Director Generals/Chief Officers would meet with the CEO to discuss their objectives. On taking office in February 2022 this process has evolved from being a stand-alone and individual list of objectives to a more standardised approach using My Conversation, My Goals (until December 2022) and then Connected Performance.

In September 2022 I initiated improvements to the pre-existing process. These improvements have included:

- Ensuring better support and consistency for objective setting and appraisal from within my office. With 13 direct reports, this process needs sufficient support to work effectively.
- From Q1 2023, leading by example by using the Connected Performance system to formally record objectives and progress and reducing the need for any parallel process and duplication of effort for senior officers.
- Gathering feedback from Ministers.
- Requiring additional written assurance around risk management, safeguarding, tracker progress, workforce planning etc.

We will continue to build on these improvements as Connected Performance beds in, review the success of these new processes and further adjust as necessary.

I am preparing to provide the interim CEO with a handover on the performance of Chief Officers, so that they are supported to build on the improvements that have already been made.

Objective Setting and Appraisal for Chief Executive Officer

I meet on a weekly basis with the Chief Minister to specifically discuss my performance, the performance of the organisation and the expectations of the Chief Minister and Assistant Chief Minister (Vice Chair of SEB).

Although draft objectives had been developed and discussed regularly with the Chief Minister, given my departure this work will not progress further. However, the Chief Minister and I have agreed areas which require my prioritised attention between now and when I leave the organisation.

The impending recruitment of an Interim CEO and in due course a new permanent CEO, provides an opportunity to establish a consistent format and process for the setting of

objectives and appraisal of the performance of the CEO by the Chief Minister. The Chief Minister has clearly set out some priority areas of focus for the new interim CEO in the job specification. A template process could now be developed which could include high-level independent support and potentially a performance element to the salary level.

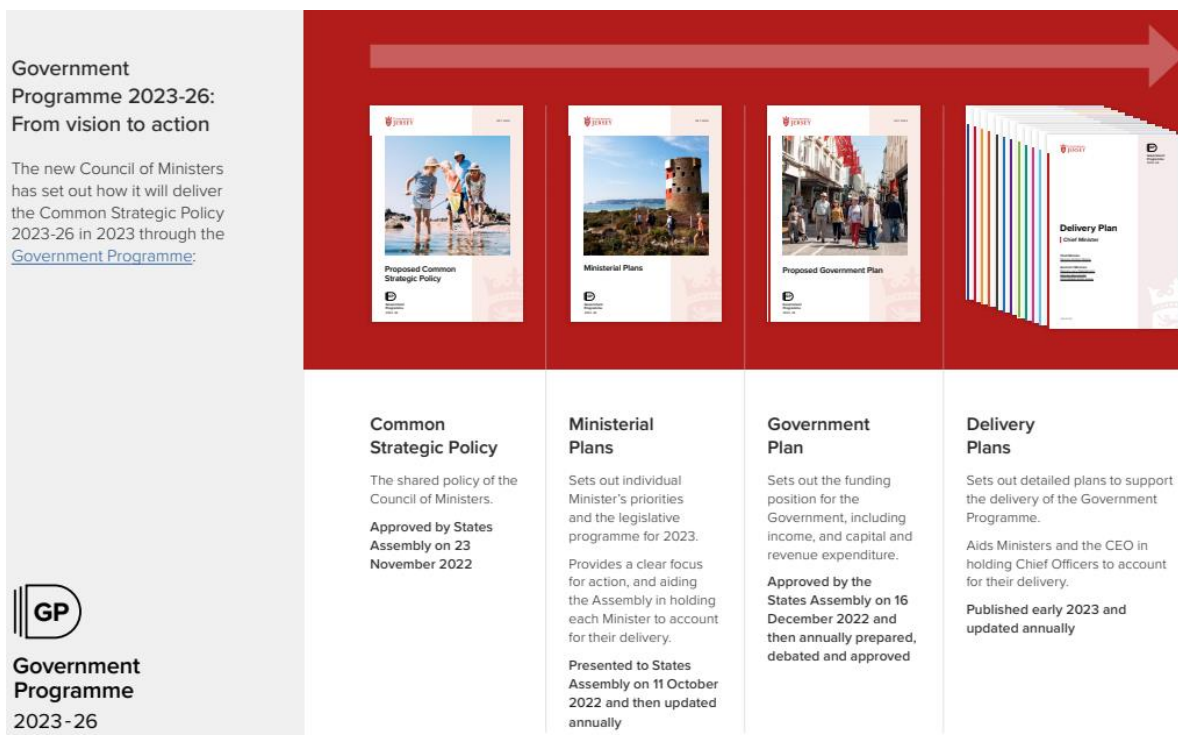
Performance Update - Connected Performance

- All Chief Officers, with the exception of the Chief Officer of HCS who has only recently been appointed, have their performance objectives for 2023 entered and approved on Connected Performance. By the time of my departure, all will have had their first quarter reviews (7 have taken place so far).
 - 94.4% of senior managers in tiers 1-3 (excluding schools and Head Teachers) have had some objectives set for 2023 and entered onto Connected Performance.
 - In most of the departments the majority of colleagues in scope have had some objectives set for 2023 and entered onto Connected Performance. Considerable focus is needed in HCS in particular, to make objective setting more meaningful. In addition, more emphasis will be placed on discussion of the objectives between staff and managers.
 - Achieving a 100% completion will never be possible given that people move jobs, we have leavers, starters and changes, sickness and other absences.
 - The lag effect from when data uploads happen between ResourceLink and Connect currently impacts the data where there have been recent changes. Work is being undertaken to improve this.
 - We are now preparing for Mid-Year Reviews for those on the system which should be happening in June and July, and are ensuring that training is available for colleagues on all of the behavioural aspects for having great performance conversations as well as system training on the next functionality.
- 2. An overview of the current performance management processes which are in place across the Government of Jersey and how these link to Ministerial and overall departmental objectives.**

The Golden Thread and the Government Programme

The link between individual, team, department and Ministerial objectives and performance with the Common Strategic Policy priorities and the long-term Island Outcomes and Future Jersey vision is often referred to as the 'golden thread'.

The link between Ministerial and departmental objectives is established by the Government Programme.



Of particular assistance in setting individual, team and department objectives and performance management are the Delivery Plans which set out:

- detailed actions for 2023 to the deliver on the Ministerial Priorities and linked to the CSP Priorities
- programmes and projects
- legislation programme
- service performance measures.

Corporate performance and delivery of the Government Programme

Corporate performance and delivery of the Government Programme are managed in the following ways:

Council of Ministers

The Council of Ministers meets regularly to consider specific aspects of the delivery of the Government Programme and to agree additional action as necessary.

The annual process for developing and agreeing the Government Programme focuses on a more strategic consideration of performance by the Council of Ministers, helping them to establishing clear objectives for the next year.

Executive Leadership Team and Operating Committee

The Executive Leadership Team (ELT) is the most senior leadership of the Government of Jersey's public service. It is comprised primarily of Chief Officers, considers all matters of strategy and government policy for approval by the Council of Ministers which have been developed by officers on behalf of Ministers, and ratifies Operating Committee decisions.

The Operating Committee (OpCo) is a forum of senior leadership representatives from all of Government of Jersey departments and exists to support ELT to create distributed leadership

for the public service. It is comprised primarily of Tier 2 and 3 officers. It considers and approves operational strategy and policy, advises on opportunities to improve and modernise public services, and provides early review of strategy and government policy development to provided assurance to ELT.

ELT and OpCo forums ensure top-level accountability on strategic issues, policies, operational matters and modernisation.

ELT, supported by OpCo, regularly reviews corporate performance, specific aspects of the delivery of the Government Programme, agrees additional action, and reports to the Council of Ministers as necessary.

These areas of corporate performance include: risk; health and safety; service performance measures; CAG/PAC/Scrutiny tracker; finances including financial performance against budget and key strategic goals; workforce; projects and programmes; and customer data. Reports are prepared and reviewed on a quarterly basis. SEB also receives regular progress reports on those areas of performance within its remit.

This is underpinned by the individual objective setting and appraisal of Chief Officers and the Chief Executive as set out at Question 1.

Department Performance Management – given the differing structures, size, resources, roles and responsibilities of departments, performance management processes differ between departments. Chief Officers are therefore best placed to brief PAC in respect of the detail of such department processes. However, all have regular progress meetings established with their department's senior managers, and with their Minister(s).

Chief Officers, as accountable officers, in their annual Governance Assurance Statement are required to provide assurance, via a number of questions, in respect of performance management, for example:

'Principle 2: Planning and Performance – Planning and Performance management is defined and drives achievement of intended outcomes' that:

- Clearly defined planning and performance management responsibilities and arrangements are in place.
- Processes exist to enhance the sustainable wellbeing (including the economic, social, environmental and cultural well-being) of the inhabitants of Jersey over successive generations, supported by governance requiring good stewardship of the public service.
- The strategic and annual planning process takes a longer-term view and balances the combined economic, social and environmental impact of policies and plans when deciding priorities. The process results in a Common Strategic Policy and Government Plan which outline key strategic goals and outcomes and outputs within the resources available.
- A performance Management structure and process exist that defines measures and monitors progress against achievement at all levels of the organisation.
- Performance is regularly documented, reviewed and reported at departmental and corporate level to assess whether operational plan and work programmes are achieving strategic goal and outcomes. Adjustments to operations are made as necessary.

- Planning and performance management processes are in place to ensure the organisation has the proper infrastructure and resources necessary to implement its operational plans.
- There is robust evaluation of the accuracy of performance data.

'Principle 6: Public Finances – The organisation values and safeguards financial integrity, accountability and strong public financial management' that:

- Structured processes are in place to monitor and audit financial performance against budget and key strategic goals, both at corporate and departmental level.

'Principle 9: Information Governance – The organisation manages its information responsibly and effectively' that:

- Planning and performance management processes are in place to ensure the organisation has the data, information systems infrastructure and resources necessary to implement its operational plans.

Department performance is underpinned by the individual objective setting and appraisal of employees as set out at Question 1.

External Reporting

Performance information is also regularly published externally, for example:

- The Annual Report and Accounts is published annually that includes a Performance Report.
- Annual reports for each department are also published alongside the Annual Report and Accounts.
- Statistics Jersey also regularly update a wide variety of Jersey Performance Framework information on gov.je, including:
 - The Island Outcomes and Indicators
 - Quarterly and annual performance reports for each Department
 - Customer satisfaction data.

3. An update of the status of all recommendations made within the previous PAC report P.A.C.2/2023 'Performance Management' (including recommendations which may have been closed alongside an explanation as to why they have been closed).

Thank you for providing the previous Executive Response to assist the process. Lead officers have provided updates to all recommendations highlighted in the Executive Response which is enclosed with this letter. I hope that this format is suitable, but please let me know if you require something different.

I have noted you intend to publish this response on the States Assembly website so that it can be used as evidence to inform the review.

Do let me know if you require any further information and I can provide more detail at the hearing in mid-June.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Suzanne Wylie', with a stylized flourish at the end.

Suzanne Wylie
Chief Executive and Head of the Public Service

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