

DoCS

Performance Monitoring Framework for Funded Services 06/07



CONTEXT

The Performance Monitoring Framework for Funded Services (the Framework) complements the DoCS Funding Policy 2005 and its overarching vision:

To achieve the best client outcomes with the available funding, through rewarding enhanced performance and better sharing of responsibility for managing service delivery and service risks with service providers.

The Framework describes the approach DoCS will utilise for performance monitoring. This will assist with improving and enhancing service delivery.

Services will be monitored for:

1. Compliance with Service Agreement
2. The extent to which outcomes/outputs are achieved under the Service Specification/Service Agreement
3. The progress of Agencies in integrating the DoCS Good Practice Guidelines into their practice (except services with OOHC funding as they already have to comply with OOHC Standards).

This Framework will be used to performance monitor and review all services funded through renewable DoCS contracts. While it will not include one-off projects of one year or less, or fee-for-service arrangements, these projects will be performance managed through their specific contracts and similar principles will apply.

DoCS Contract Management Teams comprise:

- Directors of Partnership and Planning and Community Program Officers operating at a Regional level
- DoCS Head Office staff where service agreements are being managed centrally.

The Framework comprises a three step Performance Management Cycle (as outlined at appendix one).

1.	Planning and review
2.	Performance monitoring
3.	Performance improvement

These three steps will be implemented annually throughout the Service Agreement period to measure the level of compliance with the Service Agreement.

The performance monitoring process will be used at the completion of each Service Agreement period to determine whether new Service Agreements will be offered to the current management Agency, the terms of any new Service Agreement and its length.

In cases where the performance is not assessed to be satisfactory, a competitive re-tendering process will be utilised.

GUIDING PRINCIPLES

The Framework will focus on outcomes and outputs for clients and communities as outlined in the service (project) Service Specification and/or Service Agreement. Consistent with the DoCS Funding Policy *the Framework* will operate under the following principles:

- using funds appropriately and effectively and consistent with Government priorities and community needs
- value for money
- robust financial accountability
- streamlining performance monitoring and associated processes as far as possible and proportional to the level of investment in the service
- using the service provider's own performance management and quality improvement systems as far as possible with validation from random sampling and public dissemination of performance information
- maintaining effective and productive relationships between DoCS and service providers as critical to the success of performance monitoring and improvement
- providing information to service providers to assist with their own continuous improvement strategies.

KEY TOOLS OF THE FRAMEWORK

The key tools to be utilised to implement this framework are:

1.	Risk rating tool and schedule
2.	Service monitoring and review tool
3.	Performance improvement plan

These tools are supported by guidelines and a training plan.

RELATIONSHIP OF KEY DOCUMENTS TO THE FRAMEWORK

Service Specification/Service Agreement

The success of this Performance Monitoring and Review process depends on the robustness of the Service Specification/Service Agreement as this is the critical document against which the results of the Service Monitoring and Review will be reported. It is essential that these Specifications/Agreements are clear and sufficiently detailed to enable assessment of the key review areas as outlined below:

- The range of services that the service (project) has agreed to provide, including hours that the service (project) will operate;
- The client group to receive these services (including special needs groups); and
- The geographic area to be covered.

Measuring the service (project) results depends on Performance Measures and targets being clearly outlined in the Service Specification/Service Agreement. Performance Measures should be clear, sufficiently detailed and include a data source and/or reporting method that will allow results to be accurately assessed.

Good Practice Guidelines

The responsibility for integrating the DoCS *Good Practice Guidelines* into agency management and practice rests with each funded agency. The *Service Monitoring and Review* process will not assess the degree to which each Guideline has been implemented.

As part of the *Service Monitoring and Review* process, DoCS Contract Management Teams must be confident about the extent to which each agency is engaged in integrating the Guidelines into their practice over time.

When outlining the steps the agency will take to improve practice they should correspond with the steps in the quality improvement cycle in the Guidelines and include a date for implementation (eg undertake self assessment of the Agency's consistency with Guideline 1.1 Governance by a specified date and develop and apply a service improvement plan for implementation by a set date).

GUIDELINES FOR OPERATIONALISING THE PERFORMANCE MONITORING FRAMEWORK

Content to be updated for implementation of
PMF in 2008/09

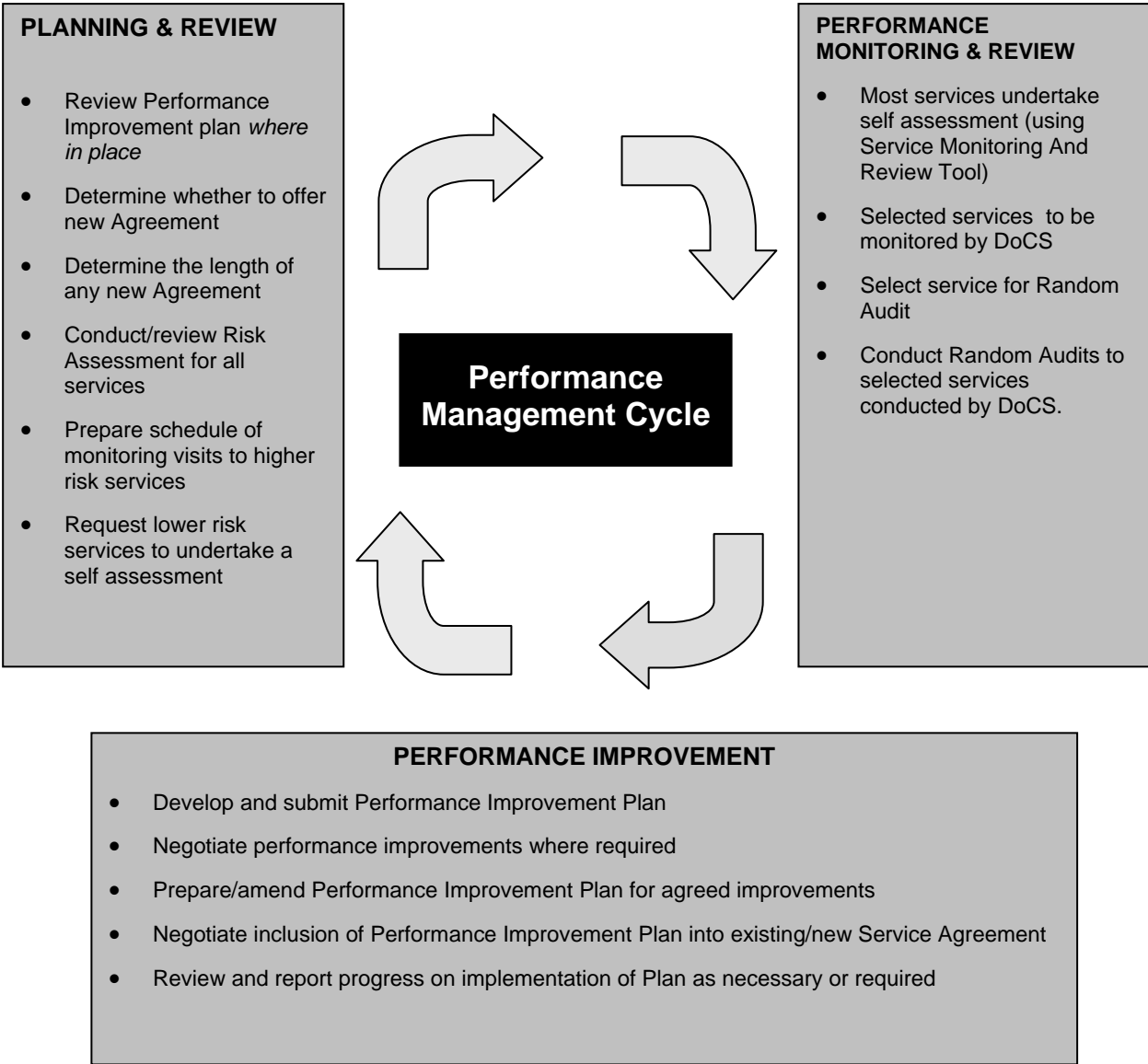
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DEVELOPING & MONITORING A PERFORMANCE IMPROVEMENT PLAN

1. Where a Performance Improvement Plan is required, the Plan must be negotiated in collaboration with the Agency managing the service (project). If agreement is not reached dispute resolution processes outlined in the Service Agreement will be utilised, however, should utilisation of this be required the final decision will rest with the Director-General of DoCS.
2. Plans should be specific, achievable, and measurable and include a timeframe for progress towards achievement of the final goal.
3. In the cases where Service Agreements are of multiple years' duration, the Performance Improvement Plan will be an evolving, iterative document that will be updated as annual Service Monitoring and Review is undertaken and improvements in Performance Improvement Plans are implemented and new improvements identified.
4. Each Performance Improvement Plan should be monitored with sufficient intensity to ensure that high priority improvements requiring immediate attention are implemented by the agreed time. As a guide:
 - agencies that manage services (projects) that require high priority improvements should provide quarterly written progress reports
 - other improvements can be monitored through bi-annual or annual progress reports depending on the period in which improvements can be expected for each particular issue.
5. The degree to which Agencies have implemented Performance Improvement Plans for the services (projects) they manage will be the primary consideration in determining new contract arrangements. Reviews of Performance Improvement Plans must be completed by **28 February** in the financial year that the Service Agreement is due to conclude. As a general guide:
 - service (projects) that have failed to complete urgent, high priority improvements as scheduled in the Performance Improvement Plan should not be offered a new Agreement except in cases where the Regional Director is confident that the required improvements can be made in a timely manner and the risks associated with offering a new Service Agreement are acceptable and manageable. In these cases, the term of the new Service Agreement should not be longer than one year
 - services (projects) that have completed all improvements except some of lower priority (as scheduled in the Performance Improvement Plan), may be offered a new Service Agreement provided the Regional Director is confident that required improvements can be implemented in a timely fashion. In these cases a reduced term of one to three years for the new Service Agreement can be considered
 - in cases where services (projects) have fully completed all improvements in their Performance Improvement Plan a longer term Service Agreement may be offered.

Appendix 1

PERFORMANCE MONITORING FRAMEWORK





NSW Department of
Community Services

Performance Monitoring Framework

TOOL FOR SERVICE MONITORING AND REVIEW

Agency

GAS No

Service/project

Agreement commencement date

Agreement end date

Usually the agency that manages the service (project) will undertake the Service Monitoring and Review process through self-assessment. However, where risks have been assessed by DoCS as high, DoCS will undertake the review in collaboration with the Agency. Where this occurs, the Agency will receive a draft of the completed Review document for comment before it is finalised by DoCS.

Agencies that complete a self assessment will submit this to DoCS with a Performance Improvement plan if one is required (template provided). These documents will outline any improvements required and the priority and timeframe for implementing these improvements.

DoCS will then conduct a random audit of up to 20% of all services (projects) annually that have undertaken self assessment in the Service Monitoring and Review process to confirm the results and negotiate changes where necessary.

In the case of an Agency that manages two or more services (projects) under the one Service Agreement, Section 6 of Service Monitoring and Review relating to the take up of the Good Practice Guidelines, will cover all services (projects) funded by DoCS during the Agreement period unless DoCS determines in negotiation with the Agency that specific services (projects) require a separate individual assessment. Agencies that are required to comply with the OOHCS Standards are exempt from this process.

This Service Monitoring and Review tool is to be used for assessment against the *Service Agreement and Service Specification*. While the tool also enquires about the Agency's progress towards implementing the *Good Practice Guidelines* for DoCS Funded Services, it is not required to document the outcome of any assessment the agency undertakes against the *Good Practice Guidelines* in this Service Monitoring and Review tool.

The results of this Review will be used to:

1. Negotiate a Performance Improvement Plan, where required, that will become a part of the current and any future Service Agreement
2. Inform DoCS' determination about the terms and conditions of any future Service Agreement that may be offered
3. Allow DoCS to determine the level of "risk" associated with this and future Service Agreements.

1. SERVICE ACTIVITIES

1.1 Explain any variation in the services provided to clients and those previously agreed in the Service Agreement (or letter of agreement) and Service Specification

1.2 Explain the reasons for any variation

1.3 Indicate the level of compliance with the terms of the Service Agreement (or letter of agreement) and Service Specification.

<input type="checkbox"/>	Compliant	
<input type="checkbox"/>	Partially compliant	→ go to 1.4
<input type="checkbox"/>	Not Compliant	→ go to 1.4

1.4 If partially compliant or non compliant, list the steps that are needed or planned to achieve compliance.

This may include a requirement to negotiate a change to the Service Agreement (if there is agreement between DoCS and the Agency that there are sound reasons for doing this).

These steps will become part of the Performance Improvement Plan.

2. THE CLIENT GROUP

2.1 Explain how the Service (project) provided activities to the designated target/priority group *as previously agreed in the Service Agreement (or letter of agreement) and Service Specification.*

2.2 Explain the reasons for any variation

2.3 Indicate the level of compliance with the Service Specification/Service Agreement.

<input type="checkbox"/> Compliant	→ go to 3.1
<input type="checkbox"/> Partially compliant	→ go to 2.4
<input type="checkbox"/> Not compliant	→ go to 2.4

2.4 If partially compliant or non compliant, list the steps that are needed or planned to achieve compliance. *(These steps will become part of the Performance Improvement Plan)*

3. THE GEOGRAPHIC AREA

3.1 Explain how the agency provided geographical coverage in line with the Service Agreement (or letter of agreement) and Service Specification

3.2 Explain the reasons for any variation

3.3 Indicate the level of compliance with this requirement

<input type="checkbox"/> Compliant	→ go to 4.1
<input type="checkbox"/> Partially compliant	→ go to 3.4
<input type="checkbox"/> Not compliant	→ go to 3.4

3.4 If partially compliant or non compliant, list the steps that are needed or planned to achieve compliance. These steps will become part of the Performance Improvement Plan.

4. SERVICE DATA COLLECTION

4.1 If the agency **collects and reports data** in accordance with the requirements of the Service Agreement go to 4.2 otherwise outline the steps that are required or planned to collect data to report service performance and inform service evaluation.

(These steps will become part of the Performance Improvement Plan)

(NOTE: If the Agency manages a Service (project) funded through the Supported Accommodation Assistance Program, it is a requirement that the Service (project) provides data to the Australian Institute of Health and Welfare)

4.2 If the agency **collects and shares information and participates in evaluation** in accordance with the requirements of the Service Agreement go to 5.1 otherwise outline the steps that are required or planned to implement this requirement.

(These steps will become part of the Performance Improvement Plan)

5. FINANCIAL MANAGEMENT

- 5.1 **Has the organisation met its financial obligations in terms of the Service Agreement?**
(please refer to the Audited Statement checklist at annexure XXX)
- | | |
|---|-------------|
| <input type="checkbox"/> Compliant | → go to 6.1 |
| <input type="checkbox"/> Partly compliant | → go to 5.2 |
| <input type="checkbox"/> Not compliant | → go to 5.2 |

- 5.2 **If only partially or not compliant, outline the steps that will be taken to fully implement this requirement within 3 months.**

These steps will become part of the Performance Improvement Plan.

6. DoCS' GOOD PRACTICE GUIDELINES

DoCS' *Good Practice Guidelines* focus on ensuring agencies have good governance systems and processes to improve service quality and meet accountability requirements. DoCS encourages agencies to provide services in accordance with the Guidelines. Agencies operating in a manner consistent with the *Good Practice Guidelines* will be considered to have met DoCS' governance and organisational management requirements.

It is not required to document in detail the progress towards implementing the *Guidelines* here in this review. It is sufficient to indicate whether the agency is fully, partly or not operating consistently with the *Guidelines*. An agency that manages multiple DoCS services (projects) is generally only required to complete this section once unless DoCS determines in negotiation with the Agency that specific services (projects) require an individual response.

- 6.1 Does the Agency and DoCS operate the service/project in a manner that is consistent with the Good Practice Guidelines?
- | | |
|---|-------------|
| <input type="checkbox"/> Consistent | → go to 7.1 |
| <input type="checkbox"/> Partially consistent | → go to 6.2 |
| <input type="checkbox"/> Inconsistent | → go to 6.2 |

- 6.2 Outline the steps the Agency will take to improve services in a manner consistent with the Good Practice Guidelines and the associated timelines.
(These steps will become part of the Performance Improvement Plan)

7. SERVICE RESULTS

7.1 Outline results obtained against performance indicators.
(List the performance measures outlined in the Service Agreement (or letter of agreement) and the Service Specification and describe Results (outcomes and outputs) achieved

The service results below are for SAAP only. Other programs will include their own results.

	Measure	Performance Indicator Target	Service Result
A	Number of support periods active each day		
B	Number of accommodation periods active each day		
C	Average length of support period		
D	% of clients who gave consent for full data collection		
E	% of clients who agree to a case plan by the end of the support period (Q15 SAAP core data set)		
F	% of clients who have agreed to a case plan and have attained all of their goals (Q16 SAAP core data set)		
G	% of clients who received support under section 1. Housing/Accommodation 2. Financial/employment 3. Personal Support 4. General Support/Advocacy 5. Specialist services 6. Basic Support 7. School Liaison/Child Care (where services are working with accompanying children)		

If Service (project) achieved the agreed performance measures go to 7.4 otherwise go to 7.2.

7.2	Explain why the Service (project) did not achieve results required. ➔ go to 7.3
7.3	Outline the steps that are planned to lift performance to the agreed level. These steps will become part of the Performance Improvement Plan.
7.4	Outline any known risks the service (project) may face in delivering the required level of performance in future.
7.5	Outline the strategies to address these risks.

FEEDBACK

8.1	Is there any feedback on this monitoring process you would like to provide to DoCS? This information will be considered with comments from other agencies about ways to improve the monitoring process. Constructive criticism is encouraged.
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NSW Department of
Community Services

Performance Monitoring Framework

RISK ASSESSMENT

Content to be updated for implementation of
PMF in 2008/09



PERFORMANCE IMPROVEMENT PLAN

Agency

GAS No

Service/project

Agreement commencement date

Agreement end date

Notes

The Performance Improvement Plan is an agreement between the Agency and DoCS for the range of improvements that the Agency will make for each service (project) under their management during the term of the current Service Agreement.

Plans should be specific, achievable, and measurable and include a timeframe for progress towards achievement of the final goal.

There are eight improvement areas identified in this Performance Improvement Plan. These areas directly relate to the areas where performance improvements are identified as being necessary in the Service Monitoring and Review.

The process for developing and implementing this Performance Improvement Plan is:

1. Review the Areas for Improvement identified in the following sections of the Service Monitoring and Review report and transfer the identified steps into the Steps for Improvement column in the Performance Improvement Plan template:
 - Service Activities 1.4
 - Provide services to the agreed client group 2.4
 - Achieve agreed geographic coverage 3.4
 - Collecting data 4.1
 - Sharing information and participating in evaluation 4.2
 - Financial Management 5.2
 - Using Good Practice Guidelines 6.2
 - Service Performance 7.3
2. Use the Priority Grid to determine the category of risk and priority for implementing each Step for Improvement. In general, priority should be given to the areas associated with Service Performance, Service Activities and Financial management.
3. Once the category of risk is determined, record the category and the timeline for completion on the Performance Improvement Plan against the relevant Step for Improvement. Immediate steps must be taken to address any Category 1 (high) risks and

reduce both the likelihood of the risk eventuating and the extent of its impact on the provided service.

4. Report/review progress with implementing the identified improvements at appropriate times. This will be quarterly where urgent, high priority Category 1 improvements are identified but may be longer (six monthly or annually) for Category 3 (low) risks. In these cases reporting will align with timeframes for the required improvements to be in place.

	Improvement area	Steps for Improvement (as identified in Service Monitoring and Review report)	Category (use attached Priority Grid)	By when	Progress
4.	Collecting data	Refer to section 4.1 in Service Monitoring and Review report and include here any steps or achievements that are needed or planned to become compliant.			
	Sharing Information and participating in evaluation	Refer to section 4.2 in Service Monitoring and Review report and include here any steps or achievements that are needed or planned to become compliant.			
5.	Financial Management	Refer to section 5.2 in Service Monitoring and Review report and include here any steps or achievements that are needed or planned to become compliant.			
6.	Using Good Practice Guidelines	Refer to section 6.2 in Service Monitoring and Review report and include here any steps or achievements that are needed or planned to become compliant.			
7.	Service Results Results achieved against Performance Indicators	Refer to section 7.3 in Service Monitoring and Review report and include here any steps or achievements that are needed or planned to become compliant.			

PRIORITY GRID

1. Determine the category of risk for each Step for Improvement entered into the Performance Improvement Plan.
2. Once the category of risk is determined, record the category and the timeline for completion on the Performance Improvement Plan against the relevant Step for Improvement.

Likelihood	High	Medium	Low
Impact			
High	Category 1	Category 1	Category 2
Medium	Category 1	Category 2	Category 3
Low	Category 2	Category 3	Category 3