

FOR PUBLICATION

NEW PERFORMANCE MANAGEMENT FRAMEWORK (JO50)

MEETING:	1. CABINET 2. DEPUTY LEADER AND CABINET MEMBER FOR PLANNING
DATE:	1. 21 JULY 2015 2. 7 JULY 2015
REPORT BY:	POLICY MANAGER
WARD:	ALL
COMMUNITY ASSEMBLY	ALL

1.0 PURPOSE OF REPORT

1.1 To report to members for information and approval the new performance management framework.

2.0 RECOMMENDATIONS

2.1 That, subject to any comments Members may wish to make, that the new performance management framework be agreed.

2.2 That the new performance management framework is developed and embedded during 2015/16 and 2016/17.

2.0 BACKGROUND

2.1 Since 2010 there have been major national level changes impacting on local authority performance management and improvement. These include:

- Abolition of national indicator set which enabled sector comparison of over 200 indicators.

- The requirement for undertaking Public Satisfaction Surveys including the Place Survey (general residents survey) and the Status Survey (local authority tenants) was removed.
- Comprehensive Area Assessments, Key Lines of Enquiry and formal performance assessments co-ordinated by the Audit Commission were abolished.

2.2 Performance management activity is now voluntary although still recommended. Since 2010 the Council's current performance management framework has been eroded and is no longer considered to be effective in challenging and improving performance.

2.3 We have been working with East Midlands Councils and other authorities across the East Midlands to develop a new fit for purpose framework which recognises the importance of transparency, accountability and sector led improvement. The draft Performance Management Framework (PMF) is attached at Appendix A.

3.0 **NEW PERFORMANCE MANAGEMENT FRAMEWORK PRINCIPLES**

- 3.1 The new PMF sets out the high level approach to performance management ensuring that all services and employees are:
- Clear about what we are aiming to achieve, by when and by whom
 - Focusing resources and actions on the right outcomes
 - Increasing their awareness and ownership of how things are going- both the successes and where things need to improve
 - Able to report on progress to both internal and external audiences
 - Able to access effective performance management improvement and support

4.0 **THE PERFORMANCE MANAGEMENT CYCLE**

4.1 Analyse

We need a solid understanding of our communities' needs and aspirations and increasingly require an understanding of the wider market conditions. We need to assess and analyse this information to inform our plans. Key data could include:

- Legislative and regulatory considerations
- Demographic information
- Emerging social trends
- Customer satisfaction and feedback
- Past performance information
- Workforce data

4.2 Plan

This is where we need to be clear about our vision – where do we want to go? We need to identify our priorities – what needs to be done? What are the most important actions? Who is responsible for delivery?

The Key plans identified include:

- The Council Plan 2015 – 2019 – sets out the key priorities and the actions and activities we will deliver in year and by the end of the plan
- The Medium Term Financial Strategy – sets out how resources will be aligned to deliver the Council Plan priorities
- Service Plans – each service develops an annual plan setting the high level themes, approach and tone for their work
- Employee Personal Development meetings – Every employee has an annual performance and development meeting with their line manager at which objectives and milestones for the year are set

Accountability is a key part of the new PMF. Responsibilities of Elected Members (including a specific role for Overview and Scrutiny), Senior Officers and Employees are clearly identified within the PMF. The support commitment via the Policy Service is also made.

4.3 Do – Deliver the objectives and priorities – Implement the plans

The Council's plans are live documents which set out what will be done in the period ahead. They are updated to reflect emerging issues such as demographic changes, community engagement feedback and political changes. We also use a competency framework for all employees and managers against which employees are assessed. Part of this framework includes demonstrating ownership of their own performance and striving for improvement.

4.4 Review/Revise – monitor, challenge, review and revise

Performance information needs to be actively used to achieve outcomes and drive improvement. Challenge and review needs to occur at all levels of the authority and includes reviews of past performance, learning lessons, benchmarking and looking ahead to what could be emphasised or done differently in the future.

5.0 **PERFORMANCE REVIEW**

5.1 **Corporate Performance Review**

The Corporate Performance Review comprises of Political Cabinet, Senior Leadership Team and Corporate Management Team. The review will take place quarterly as part of the Executive/Management Team away days and focus on reviewing and challenging overall performance and aligning resources to improve areas of greatest need. Overview and Scrutiny will be able to access the information in tandem.

A balanced scorecard would be a key element of the corporate performance review. An example scorecard is attached at Appendix B. The scorecard brings together a variety of data including:

- Council Plan – Projects and performance indicators
- Workforce information – pay and productivity indicators, workforce profile information, health and safety indicators, employee surveys indicators and relevant action plans
- Customers and communities – complaints, avoidable contact, communication indicators, public satisfaction indicators
- Business critical activity – key income streams, key service level indicators, governance indicators, PPP indicators and business critical projects
- Big ticket progress – could include Great Place: Great Service information, transformation programme data, trading etc.

The scorecard approach will involve bringing together data from a variety of sources so that the data is more transparent and more accessible for decision making. Exception reports and options for improvement would be available in addition to the scorecard. Drawing on experience from other authorities within the East Midlands it is anticipated that the scorecard will need to be built up over an 18 month period with continuous improvement and review.

Corporate Managers will be encouraged to discuss this information at their management and employee team meetings as appropriate to increase the engagement and ownership of performance management at all levels.

5.2 **Service Performance Review**

Within in each service (or group of services) there will be a dedicated slot on management team meetings/team meetings once a quarter to consider and challenge their performance against their service plan and to disseminate the issues emerging from the corporate performance

review. Services will be encouraged to discuss this information at their wider team meetings as appropriate.

5.3 Performance Reporting

Twice a year a full performance report will be developed to highlight performance data, trends and the findings and actions for the service and corporate performance reviews. This report will be challenged by Overview and Scrutiny and Cabinet to ensure our PMF is achieving change and driving improvement. The six monthly performance reports will also be available to the public on the Council's website.

6.0 **OTHER FORMS OF CHALLENGE**

- 6.1 Community engagement – there is a wealth of feedback from our community engagement programme including community assemblies, satisfaction surveys, Equality and Diversity Forum which help to challenge our performance. Employee engagement and Trade Union activity also offer effective opportunities to challenge performance.
- 6.2 Complaints, comments and compliments – our communities are encouraged to give feedback to the Council on the services we provide. Each service will be provided with quarterly updates of their comments, complaints and compliments to inform their decision making and service level performance reviews.
- 6.3 Sector led improvement – The Council is actively using the Local Government Association's "Taking the Lead" approach for sector led improvement including a commitment to a Peer Challenge every four years. Additional voluntary challenges such as investors in people and Equality Framework are also used to drive performance.
- 6.4 We also use a variety of benchmarking tools and services to benchmark our performance, costs and employment issues against other local authorities.

7.0 **ACTION SO FAR**

- 7.1 The following activities have been taking place over the last six months to increase momentum on our performance improvement journey:
- New four year Council Plan approved. This document clearly sets out the in-year deliverables and what is expected by the end of the plan term
 - Service Plans have been developed for all service areas which include key performance indicators, projects, risk assessments and workforce development issues. Each Service Plan has been cross-

referenced with the Council Plan to ensure all Council Plan deliverables have been allocated to the appropriate lead service

- The Council Plan and Service Plans were used to discuss the support requirements with arvato and Kier for the coming year
- Increased emphasis on employee personal development appraisals so that all employees have the opportunity to meet with their manager to discuss objectives and development needs
- Working with East Midlands Council and authorities across the East Midlands to raise Performance standards across the region – this work has informed our new PMF
- Development of a single data list which clearly identifies the data type, frequency of collection, opportunities for benchmarking, lead service area and how the data can feed into the new PMF
- Data has been reviewed to boost the frequency of collection on key indicators to enable improvement actions to be put in place much earlier in the year and improve in-year performance

8.0 **OVERVIEW AND SCRUTINY**

8.1 The Overview and Performance Scrutiny Forum considered the new performance management framework on the 16 June 2015. The Forum was supportive of the approach to improve performance management and particularly welcomed the opportunity for in-year improvement. Overview and Scrutiny will continue to be involved in the development of the framework and will provide a critical friend challenge to its development during 2015/16 and 2016/17.

9.0 **RISK MANAGEMENT**

9.1 There are significant risks to not implementing a new performance management framework:

Risks	Impact	Likelihood	Mitigating Action	Residual Impact	Residual Likelihood
The current PMF will continue to deteriorate and become unsustainable.	H	H	<ul style="list-style-type: none"> • New PMF developed taking into account best practice and desire for sector-led improvement. 	L	L
That the Council Plan Priorities and service plan activities are not delivered.	H	M	<ul style="list-style-type: none"> • New PMF enables in-year performance monitoring in order to identify issues early and for 	M	L

Risks	Impact	Likelihood	Mitigating Action	Residual Impact	Residual Likelihood
			mitigating actions to be developed. <ul style="list-style-type: none"> • Align resources to Council Plan priorities. • Quarterly corporate performance reviews and service reviews increase member and officer awareness and ownership of performance issues. 		

10.0 **EQUALITY CONSIDERATIONS**

10.1 There are no negative equality, diversity or social inclusion issues identified for developing the new performance management framework, however improved performance management and improvement offers significant benefits to the whole community in terms of improving service delivery, efficiency and becoming more responsive to customers and communities needs and aspirations.

11.0 **RESOURCE IMPLICATIONS**

11.0 The new performance management framework will be delivered from within existing financial resources. Skill requirements for implementing the new framework have been identified and matched within the Policy Service. The forthcoming review of the Policy Service will direct skills and capacity into performance management and improvement.

12.0 **RECOMMENDATIONS**

12.1 That, subject to any comments Members may wish to make, that the new performance management framework be agreed.

12.2 That the new performance management framework is developed and embedded during 2015/16 and 2016/17.

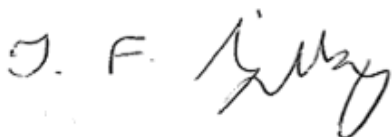
13.0 REASON FOR RECOMMENDATIONS

13.1 To ensure that the Council's performance management framework facilitates the achievement in priority areas, improves transparency and governance and takes into account emerging best practice.

D. M. REDDISH
POLICY MANAGER

Further information on this matter can be obtained from Donna Reddish (Extension 5307).

Officer recommendation supported.



Signed

Cabinet Member

Date 7.7.2015

Consultee Cabinet Member/Support Member comments (if applicable)