

PERFORMANCE MANAGEMENT FRAMEWORK 2023

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1. PURPOSE

The council sets out its priorities and the actions we will take to deliver them in the Council Delivery Plan. To achieve the work we have committed to in our plan we need to ensure that we effectively manage our performance. We need to monitor and respond to our actual performance to make outcomes for our communities better than they would otherwise be.

The council takes an integrated approach to performance management. This means we ensure collaboration of the traditionally siloed strategic planning, budgeting and forecasting, investment, decision-making and performance management functions.

This provides the platform on which 'one team, one council' working can be built. It enables us to make effective, well informed and timely decisions which focus on the outcomes expressed in the Council Delivery Plan for our communities.



Allison Thomas
Chief Executive

This guidance aims to:

- Provide clarity about how the performance management system works
- Raise the awareness and understanding of performance management
- Explain how it all fits together
- Outline who is responsible for what
- Help us to improve our corporate working to ensure we achieve our vision and deliver high quality outcomes for the communities in North West Leicestershire.

2. SCOPE

Ensuring high quality outcomes for our customers and businesses is at the top of the council's agenda at a time when the demand for improvement and the pace of change is increasing dramatically.

We are faced with a range of challenges and opportunities, including significantly reduced levels of resources from central government to deliver key services married with increasingly high expectations from customers. This very scenario also provides us with an opportunity to fundamentally re-think our role.

We need effective performance management and measurements to ensure success in meeting these challenges, to provide evidence of achievements, to identify what works and tackle things that are not working so well.

The key messages of the framework are:

- Everyone in the council has a role to play in managing performance
- Councillors and senior management depend upon good-quality performance information to make well-informed decisions
- Managing performance is essential for good governance and accountability
- Efficiency and value for money

- Performance measures must reflect our priorities to ensure objectives are being met – we need to be clear about what success looks like
- Self-evaluation and review of activity are an important part of continuous improvement
- Performance information must be acted upon to improve outcomes.



3. WHAT DO WE MEAN BY PERFORMANCE MANAGEMENT?

Monitoring performance helps us demonstrate that we are making the best use of resources to deliver efficient and effective services to the community. Councillors and senior officers must therefore ensure that managing performance is part of their day-to-day business.

A properly constructed Performance Management Framework (PMF) supports this by removing the risk of inadequate or inappropriate performance reporting.

However, over-complicated reporting arrangements are burdensome, with the likelihood that they either won't be followed, or that the differing requirements of various service areas may overlap, resulting in misleading information.

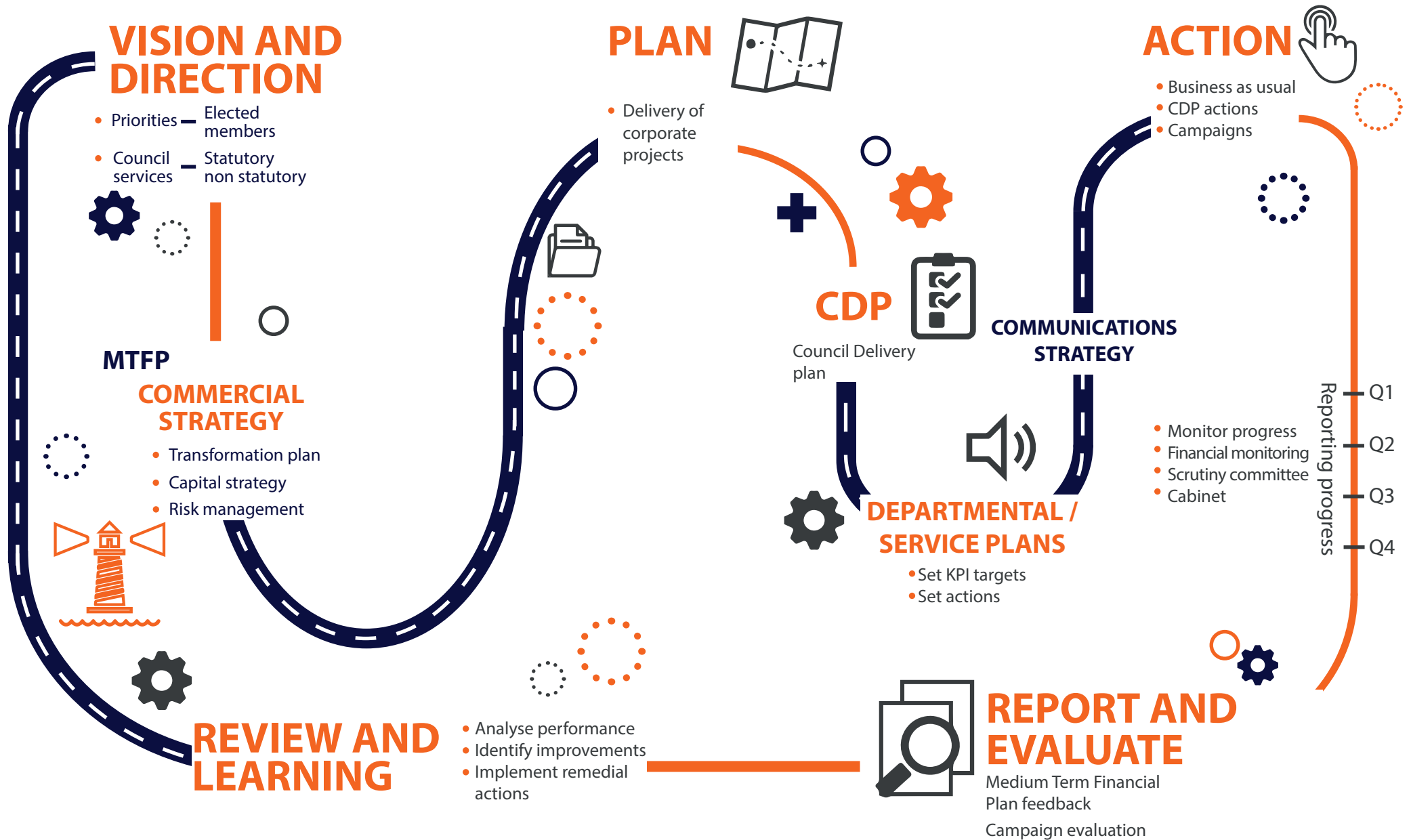
For any PMF to be effective it must reflect the council's priorities and be fully integrated into business planning arrangements. Put simply, if the Council Delivery Plan outlines **what** we will do, this framework explains **how** we will do it.

Effective performance management will help to:

- Prioritise what gets done and ensure there are sufficient resources to do it
- Ensure the council provides value for money
- Identify and rectify poor performance at an early stage and learn from past performance
- Increase user and public satisfaction.

The objective is to build, from the ground up, a proactive and collaborative performance management culture at all levels of the council. This will support improvement, delivery and decision making.

FIGURE 1 : PERFORMANCE ROADMAP



4. VISION AND DIRECTION

We receive our direction from two key areas:

Government

We provide a range of statutory services – like waste and planning – that operate under specific legislation and regulation.

Local political decisions

Our elected members will make evidence and knowledge-based decisions about the needs of our communities to inform our work and set the key priorities for the council.

This evidence and knowledge forms the basis of business cases and reports that are provided to Cabinet and Council for decision-making, and also inform management decisions and day to day operations.



5. PLAN

We deliver the priorities set by members via a number of plans:

i) The Council Delivery Plan

The key priorities within the plan are:

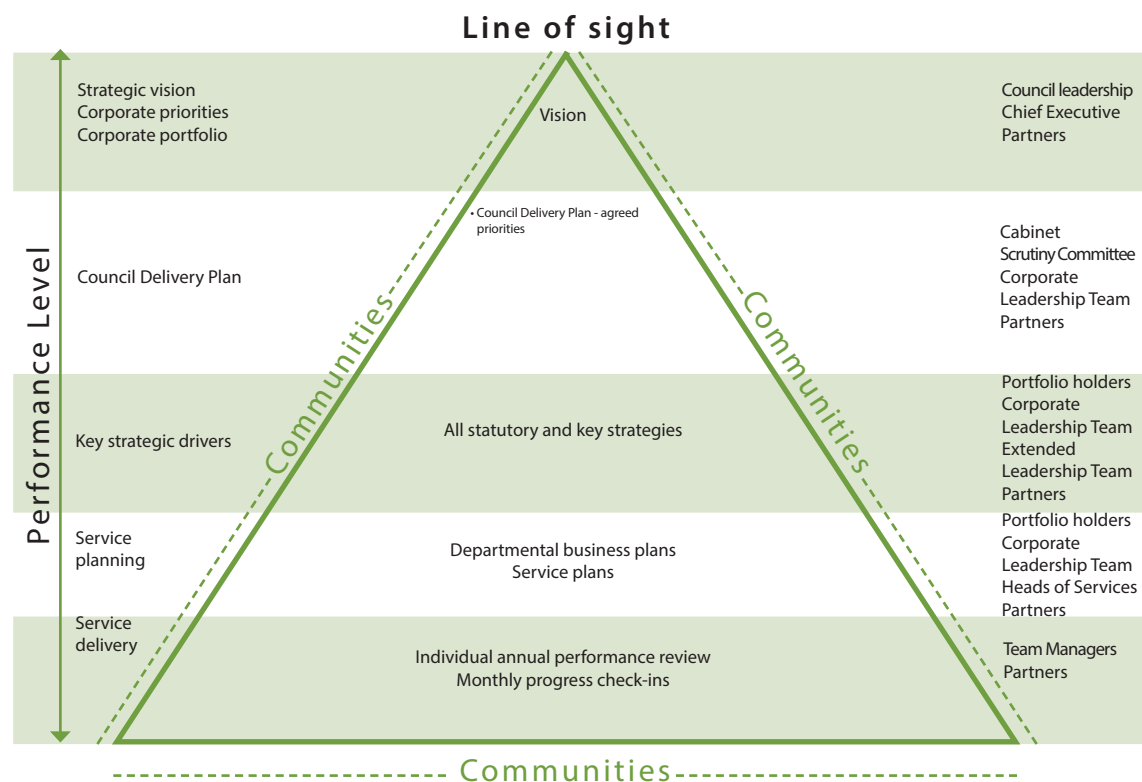
- Planning and regeneration
- Communities and housing
- Clean, green and Zero Carbon
- A well-run council

ii) Corporate themes

In delivering our priorities, we will:

- Be open about what can and can't be achieved
- Be honest when we get things wrong
- Use a positive and friendly tone of voice

Each of the key priorities outlined span across the portfolios held by each member of the Cabinet. The routine performance monitoring of priorities and portfolio areas drive the delivery of activity in order to realise ambitions in each thematic area.



5. PLAN

iii) Departmental business plans and service plans

Departmental business plans and service plans are a vital part of our performance management framework linking thematic priorities.

Having a clear framework enables each service area to identify how their actions contribute to the Council Delivery Plan and improved outcomes for North West Leicestershire.

Forecasting and benchmarking are core parts of well produced service team plans; an essential tool that ensures rational, evidence-based decisions can be taken concerning levels and types of activity.

We have service plans covering each service area. The plans contain actions, milestones and KPIs which:

- Contribute to achievement of the council's priorities
- Are driven by the need to improve efficiency and effectiveness
- Relate to frontline service or delivery of statutory requirements, whether or not directly related to the council's priorities.

These form the cornerstone of our performance reporting process by explaining in detail the methods and targets developed to measure and report progress. Everyone in the organisation should have a clear line of sight between their individual objectives, service plans and the Council Delivery Plan.

The annual performance management cycle is designed to provide a process for deciding what success looks like rather than just being a good measurement system for what we are doing now.

There is no point in having a system that demonstrates excellent performance if ultimately the council does not address its strategic priorities.



5. PLAN - GOVERNANCE AND SCRUTINY

Council structure

The structure of the council shown on page 11 supports delivery of the Council Delivery Plan at every level.

Council comprises 38 elected members who meet six times each year. They make decisions of matters reserved for council including the budget and policy framework.

Councillors decide the authority's priorities and delivery plan, agree some policies and set the budget each year. The council appoints a Leader who in turn appoints their Cabinet from amongst the elected councillors.

Cabinet is chaired by the Leader of the Council, who appoints the Deputy Leader and six elected members who serve as Portfolio Holders. Cabinet meetings are generally open to the public except where confidential matters are being discussed.

The Cabinet is the part of the council which is responsible for most day-to-day decisions. Cabinet has particular responsibility for determining the council's vision, defining priorities to achieve that vision, developing and implementing policy and the specific performance indicators by which to measure progress. Cabinet has responsibility to manage the budget once set by council.

Cabinet ensures that:

- Performance is being appropriately managed for each portfolio area
- Performance is robustly challenged and actions are appropriate
- Responds to performance issues raised by the corporate scrutiny committee.

Scrutiny committees

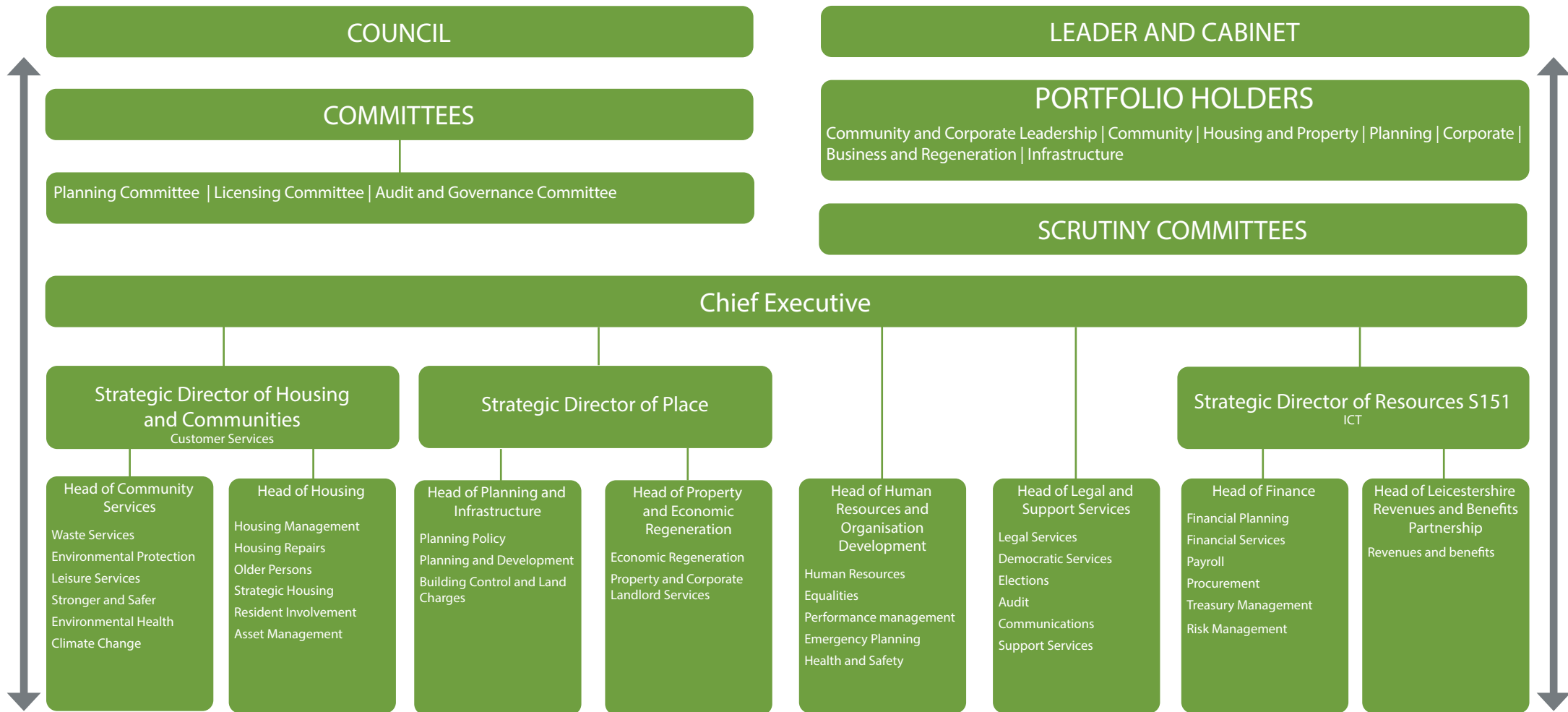
The council has two scrutiny committees; Corporate and Community. Both committees comprise of 11 members and they support the work of the Cabinet and the council on policies, budget and service delivery.

The committees monitor the decisions of the Cabinet and can 'call-in' a decision Cabinet has made but not yet implemented, enabling them to consider whether the decision is in line with the council's principles of decision making. They may recommend that Cabinet reconsider the decision.

Corporate Scrutiny Committee also provides challenge on the council's performance and risk management. The information on quarterly performance is presented to the committee for close examination and challenge.

Heads of Service can be called for further enquiry and the committee can choose to elevate matters of particular concern for further examination.

PERFORMANCE MANAGEMENT



6. ACTION

Strategic Directors are the primary interface between elected members and operational management with strategic responsibility for service provision.

Each Strategic Director is responsible for the full range of services within their directorate and will:

- Set, monitor and manage Council Delivery Plan actions, milestones and indicators
- Present performance reports and highlight any risks, current and future, to each Portfolio Holder
- Demonstrate that performance is actively and appropriately managed
- Update relevant members about key changes.

Corporate Leadership Team (CLT) comprises the Chief Executive, the three Strategic Directors and Heads of Service.

Overarching performance management at corporate level is undertaken by the Corporate Leadership team (CLT), which monitors the progress of each service on performance issues and provides constructive challenge.

CLT's role within this framework is to:

- Ensure that performance monitoring is undertaken for the whole council
- Identify over or under performance and strategic opportunities
- Identify the actions necessary to re-balance under or over performance
- Facilitate effective allocation of resources
- Ensure targets are properly set and reviewed at least annually
- Review and challenge the performance of each service
- Monitor the risk register to meet the council's risk appetite.

Heads of Service carry the top level of responsibility for service provision within their particular service areas, whilst driving forward corporate projects across the council.

Services - the Council provides outward facing services such as Environmental Health, Housing and waste collection, and internal support functions such as ICT, finance and Legal. Each service is headed by a team manager who is responsible for all aspects of day to day operations.

6. ACTION

The **Team Manager**'s role in the framework is to:

- Identify service outcomes
- Monitor and manage their service performance against actions, milestones and KPIs
- Agree appropriately challenging targets with individuals
- Ensure their service identifies the actions within their control that are necessary to re-balance under or over performance
- Identify risks and develop action plans to mitigate them
- Engage teams in service planning
- Cascade and discuss performance information
- Ensure accurate information on service performance is provided
- Conduct comprehensive performance reviews.

Employees - underpinning every service are teams of officers who work individually and collectively towards service-specific and corporate objectives and, through these, provide support to the community by achieving the aims defined in the Council Delivery Plan.

In applying this framework, every member of staff at NWLDC is directly and actively involved in the progress of the authority. Everybody has a clear part to play, all equally important and connected to achieving the council's vision.

Staff have access to a range of supporting documents and guidance to ensure their planning and delivery fit with the overall direction of the organisation, including:

- Organisation performance
- The Council Delivery Plan
- The Corporate Communications Strategy, including communication principles
- Business and service plans
- Performance reports

All of these documents are published on the intranet for staff to access at any time.

7. REPORT AND EVALUATE

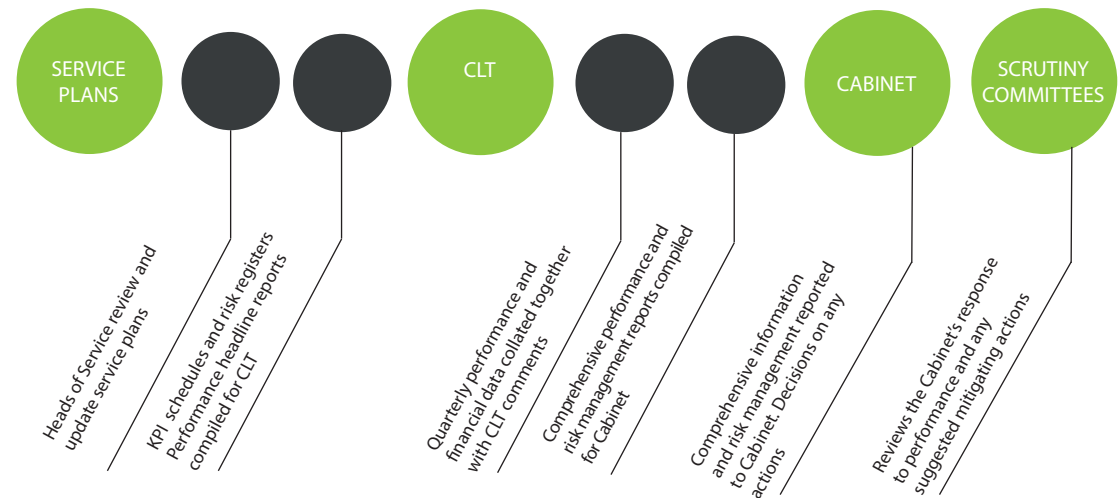
Organisation Performance Team

This team provides a range of support functions, working closely with staff and management across the whole council.

The team underpins the PMF by:

- Ensuring the performance cycle is maintained and reporting requirements are met
- Quality checking targets are SMART and sufficiently challenging
- Working with services to facilitate accurate data quality
- Recommending interventions where performance is below target .

REPORTING TIMELINE



7. REPORT AND EVALUATE

Reporting cycle

Reporting provides challenge, reviews exceptions quarterly, addresses under performance and identifies corrective actions.

Actions, milestones and KPIs are recorded on a monthly cycle and meetings take place between team managers and their Heads of Service to review performance dashboards and to identify interventions if performance is behind schedule.

Performance is reported quarterly to CLT, Cabinet and Corporate Scrutiny Committee ensuring progress is continuously monitored and reported at every level of the council.



7. REPORT AND EVALUATE

Performance measures

Being able to **measure** performance is key to **managing** performance, as only by devising appropriate measures can we properly monitor progress

Sound business planning with clear objectives not only determines the appropriate business model but also establishes the conditions of success to be measured. This forms the basis of what to measure in order to provide information based around clear performance objectives, tailoring performance measurement to key delivery drivers that cover:

- Service performance
- Trend and benchmarking data
- Targets
- Outcomes.

Correctly devised measures clearly link inputs and activities to outputs and outcomes. This enables accurate monitoring and interpretation of current performance, supports continuous improvement and affords credible projections of future performance.

Performance measures show how the Council is progressing towards achieving strategic objectives and also what matters most to prioritise resources.

Key performance indicators

A key performance indicator (KPI) is the measure of performance of an activity that is critical to the success of the Council and must be both **meaningful** and **measurable**.

We differentiate two types of KPIs; strategic that directly relate to the objectives set out in the Council Delivery Plan and business as usual.

When determining which indicators to monitor and the target levels of performance required the council takes the following into account:

- Impact of service delivery on customers and residents
- The state of the economy and likely impact on demand for services
- The Council Delivery Plan, strategic direction and matters arising from its review.

This information is reviewed and used to chart and report actual movement or trend, thereby illustrating progress and identifying areas for improvement.

7. REPORT AND EVALUATE

Successfully designed KPIs are quantifiable, statistically or otherwise, with clear targets set for each one to achieve. The most effective indicators follow the SMART criteria.

Targets can take many forms; they may be statistical, such as a specific number, value or weight, have a clear time frame or completion date, or relate to recognised best practice.

Most importantly, the target must be both relevant to the indicator being measured and achievable. Targets set too high will result in apparent under-performance, whilst targets set too low undermine the monitoring process. Historical data may be of use to benchmark against for future results, but only in the context of the current environment. Last year's results are not necessarily any guide to future outputs.

KPI CRITERIA

→ SPECIFIC

Target a specific area for improvement with clear unambiguous objectives:

- What do we want to accomplish and why?
- Who is involved?
- Which requirements or constraints apply?

→ MEASURABLE

Indicators must be quantifiable concrete criteria for measuring progress:

- How much? How many? How will we know when it is accomplished?

→ ACHIEVABLE

Set goals that are realistic and attainable for the level of skills and resources:

- How can the goals be accomplished?

→ RELEVANT

Relevant goals drive the team forward:

- Is this worthwhile?
- Is this the right time?
- Does this match our other needs?

→ TIMELY

Specify when the results can be achieved:

- Commit to a deadline or time frame to focus resources on completion.
- Prevent goals being overtaken by day-to-day issues.

7. REPORT AND EVALUATE

Financial monitoring

Financial management

A fundamental aspect of the council's performance is its financial management overseen by the Strategic Director of Resources as the S151 Officer. There is an established system for monitoring the council's financial position, which is reported to Cabinet on a quarterly basis.

Departmental monitoring

The Finance Team is responsible for co-ordinating budget monitoring for the relevant Service Manager with individual monitoring arrangements agreed by Strategic Directors and Heads of Service. The finance team takes a business partnering approach to working with Team Managers, regularly reporting to Strategic Directors and senior management and monitoring reports produced at agreed frequencies



7. REPORT AND EVALUATE

Accurate information

Councillors and senior management need performance information in order to:

- Tailor service provision to community needs
- Identify and address areas of concern
- Demonstrate service improvements and value for money.

The performance information reported must therefore be accurate.

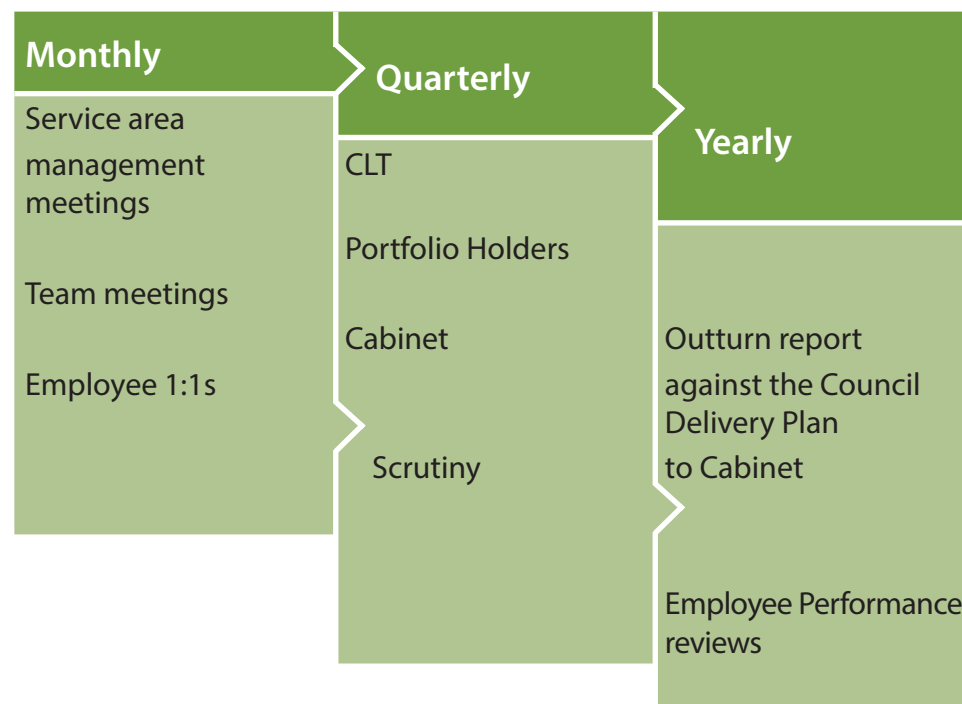
Equally, the best selection of performance measures is of little use if monitoring data is unreliable or not reported effectively. These factors are therefore crucial when reporting performance information:

- Constructing valid measures or KPIs
- Producing high quality data
- Reporting information in context
- Presenting information with insight and commentary.

Reporting via red, amber, green

The performance of every indicator is carefully reviewed against its target for the period and awarded a status using a red, amber, green rating system.

The council operates a tolerance level of 5%, or 10% for financial KPIs. This means that any KPI reporting performance up to **5% (or 10%) below** the set target will be classified 'amber' to be kept on watch. Any KPI reporting performance **more than 5% (or 10%) below** target are classified 'red' for urgent attention.

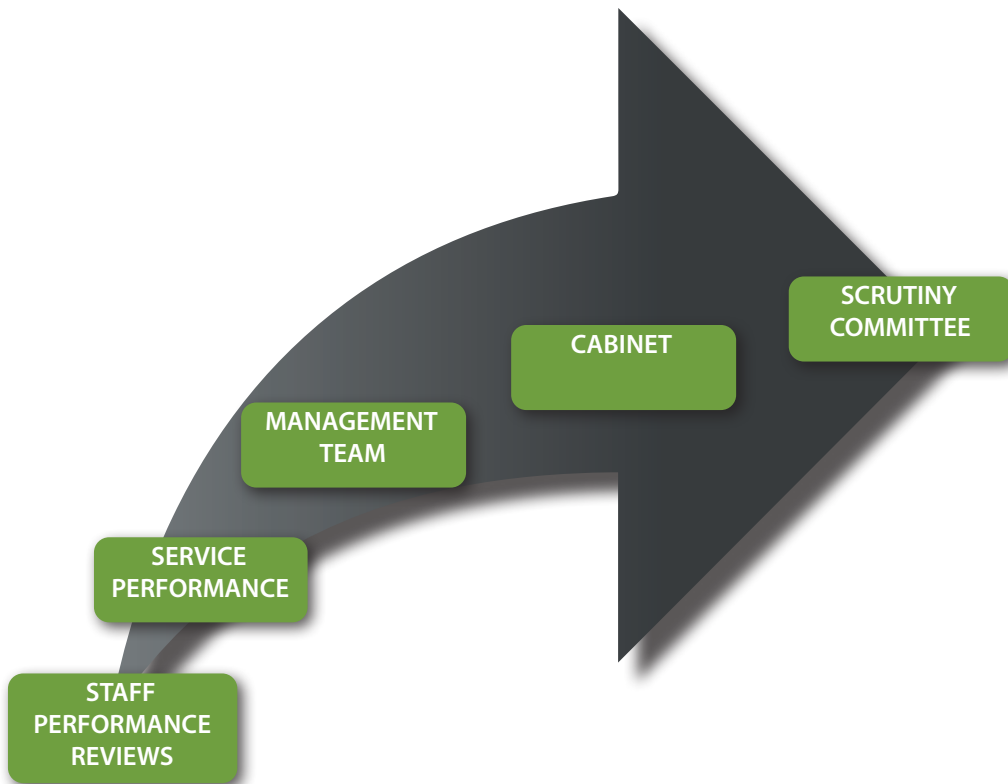


8. REVIEW AND LEARNING

Continuous review

This framework has been designed to ensure continuous review of performance at service level, through sequential upward reporting to senior management and members.

REPORTING SEQUENCE



Analyse

Analysing the performance information provided in the quarterly reports enables early awareness of emerging issues and developing conditions, allowing forward planning to correct areas of weak performance.

It also enables management to properly target resources. Total resource needs, including staff, are never likely to be available. However, with regular performance monitoring resources that are available can be directed where they are most needed in order to maximise the achievement of our priorities.

Performance data

We use monthly performance reports, feedback from our Medium Term Financial Plan and campaign evaluation to inform the setting of priorities for the next year and the following year's Council Delivery Plan.

8. REVIEW AND LEARNING

Continuous improvement

Having a highly developed PMF is not an end in itself. To be successful decision-makers take action based on what the performance information is telling them.

The true value of a performance management process is generated by implementing its outcomes. For continuous improvement to occur the performance information must be acted upon; poor performance remedied, good practice shared and resources allocated most effectively.

To assist with this, service plans include a section describing their improvement plans, with corresponding action plans to ensure these are delivered. Improvement plans need to clearly distinguish:

- The issues
- The action to be taken
- The timescales
- The resources required to implement the actions
- How progress will be monitored and by whom
- What the measure of success will be.

The performance information gathered, revisions made, resources employed, targets set and outcomes accomplished through this process also informs future council aims and objectives.

In this way the council is able to improve on past years and embed those improvements into future Council Delivery Plans.

We know that our work is never done and that we will always need to listen to our communities, make the most of the resources we have and improve the district for the benefit of the people that live and work here.

