RIBBLE VALLEY BOROUGH COUNCIL
REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No. 8

meeting date: 25TH SEPTEMBER 2018
title: PERFORMANCE MANAGEMENT FRAMEWORK REVIEW 2018
submitted by: DIRECTOR OF RESOURCES
principal author: MICHELLE HAWORTH – PRINCIPAL POLICY AND PERFORMANCE OFFICER

1   PURPOSE

1.1   To seek approval for the new Performance Management Framework following a review.

1.2   Relevance to the Council's ambitions and priorities:

- Community Objectives –
- Corporate Priorities –
- Other Considerations -

The scope of the Peer Challenge covered: understanding of local place and priority setting, leadership, governance, financial planning, and capacity to deliver.

2   BACKGROUND

2.1   Performance management is a way of describing the number of different areas of work and management arrangements that the Council uses to ensure that it achieves what it sets out to do within the resources it has committed. It is also about how we consistently plan and manage improvements to our services.

2.2   The Performance Management Framework supports a coordinated approach, with everyone understanding their part in the different processes and actively participating in them. The framework provides the basis for ensuring that we understand the various elements which contribute to delivering effective and efficient services that meet the needs of the local community.

2.3   The Performance Management Framework links plans and performance outcomes and measures together, connecting corporate priorities with the activities and actions of managers and staff at a service, team and individual level.

2.4   The Corporate Strategy is a central part of the policy framework setting out the corporate priorities and objectives that the Council aims to achieve over the four years of the strategy.

2.5   The Council's Performance Management Framework has been subject to reviews in the past, with the last full review being completed in 2011.

2.6   Following the Peer Challenge an action plan was formulated and approved by committee. The action plan included a commitment to reviewing the Council's Performance Management Framework.

3   RISK ASSESSMENT

3.1   The approval of this report may have the following implications

- Resources – None identified.
- Technical, Environmental and Legal – None identified.
- Political – None identified.
- Reputation – None identified.

- Equality & Diversity - None identified.

4   IT IS RECOMMENDED THAT COMMITTEE

4.1   Consider and approve the Performance Management Framework as provided at Appendix A.

Michelle Haworth   **Jane Pearson**
PRINCIPAL POLICY AND   DIRECTOR OF RESOURCES
PERFORMANCE OFFICER

BACKGROUND PAPERS:

REF:

For further information please ask for Michelle Haworth, extension 4421

RIBBLE VALLEY BOROUGH COUNCIL

Performance Management Framework

September 2018

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DOCUMENT REVISIONS

Version Date	Author Notes		

INTRODUCTION

Performance management is a way of describing the number of different areas of work and management arrangements that the Council uses to ensure that it achieves what it sets out to do within the resources it has committed. It is also about how we consistently plan and manage improvements to our services.

The Performance Management Framework supports a coordinated approach, with everyone understanding their part in the different processes and actively participating in them. Our framework provides the basis for ensuring that we understand the various elements which contribute to delivering effective and efficient services that meet the needs of the local community.

The Council has adopted this Performance Management Framework to ensure that services are focused on continuous improvement.

SCOPE AND CONTENT

The Performance Management Framework helps us to:

- be clear about what we are trying to achieve

- understand exactly how we are going to achieve it

- understand how we will monitor and report progress through regular evaluation

- understand how the contribution of individual members of staff, managers, teams and services relate to each other and help to deliver our priorities

Our Performance Management Framework provides an overview of the arrangements in place to manage performance and our performance management information system, Pentana Performance, provides performance information and data so that everyone knows what needs to be achieved, what is required of them and when, what is measured and managed, and what progress we are making - all in one place.

To help achieve our aims we are striving to ensure that the following characteristics, which are key in high performing organisations, are embedded at the Council:
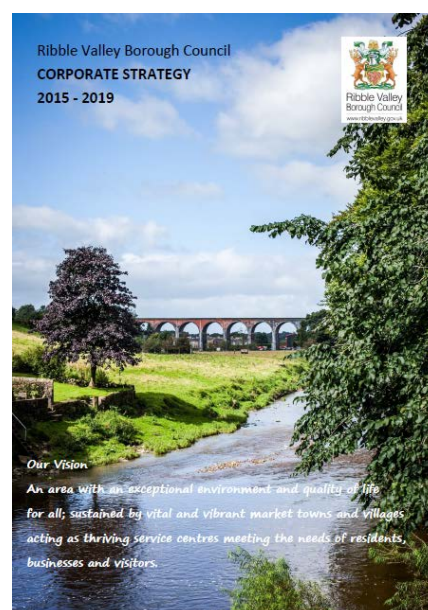
STRATEGIC PLANNING AND POLICY FRAMEWORK

Strategic planning is the essential foundation for effective performance management. The purpose of strategic planning is to translate high level priorities into management action and linked measures of performance.
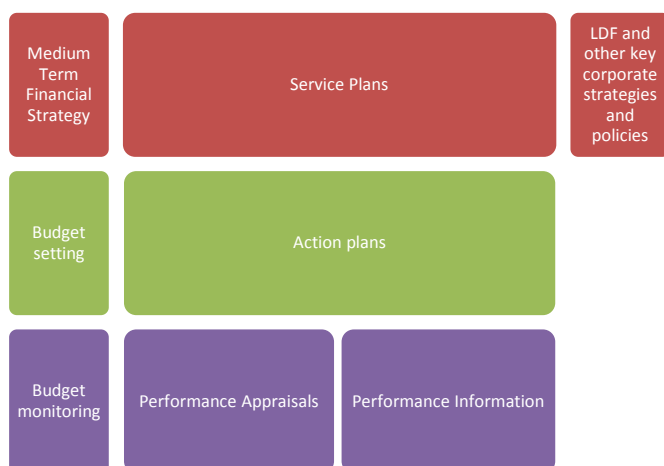
Strategic planning needs to be undertaken at all levels of the Council. Our Performance Management Framework links plans and performance outcomes and measures together, connecting corporate priorities with the activities and actions of managers and staff at a service, team and individual level.

The Corporate Strategy is a central part of the policy framework setting out the corporate priorities and objectives that the Council aims to achieve over the four years of the strategy.

The Council plans its finances to deliver these priorities and to manage spending within available resources by producing and regularly updating a rolling budget through the Medium Term Financial Strategy (MTFS). The MTFS summarises the same priorities and objectives as the Corporate Strategy but expresses them in financial terms, whilst highlighting any imbalance - being the need to make savings and manage expectations.

Ribble Valley Borough Council
CORPORATE STRATEGY
2015 - 2019

Our Vision
An area with an exceptional environment and quality of life for all; sustained by vital and vibrant market towns and villages acting as thriving service centres meeting the needs of residents, businesses and visitors.

Corporate Strategy

Medium Term Financial Strategy

Service Plans

LDF and other key corporate strategies and policies

Budget setting

Action plans

Budget monitoring

Performance Appraisals

Performance Information

Underpinning these are other specific plans and policies that explain the approach to particular areas of activity and that link to relevant legislation.

Service Plans should be produced by each of our services showing what they will do to contribute to the achievement of outcomes within the Corporate Strategy, and key operational actions and activities for service delivery.

Individual Performance Appraisals contain personal objectives that will help to achieve actions within the relevant Service Plan and the priorities and outcomes in the Corporate Strategy.
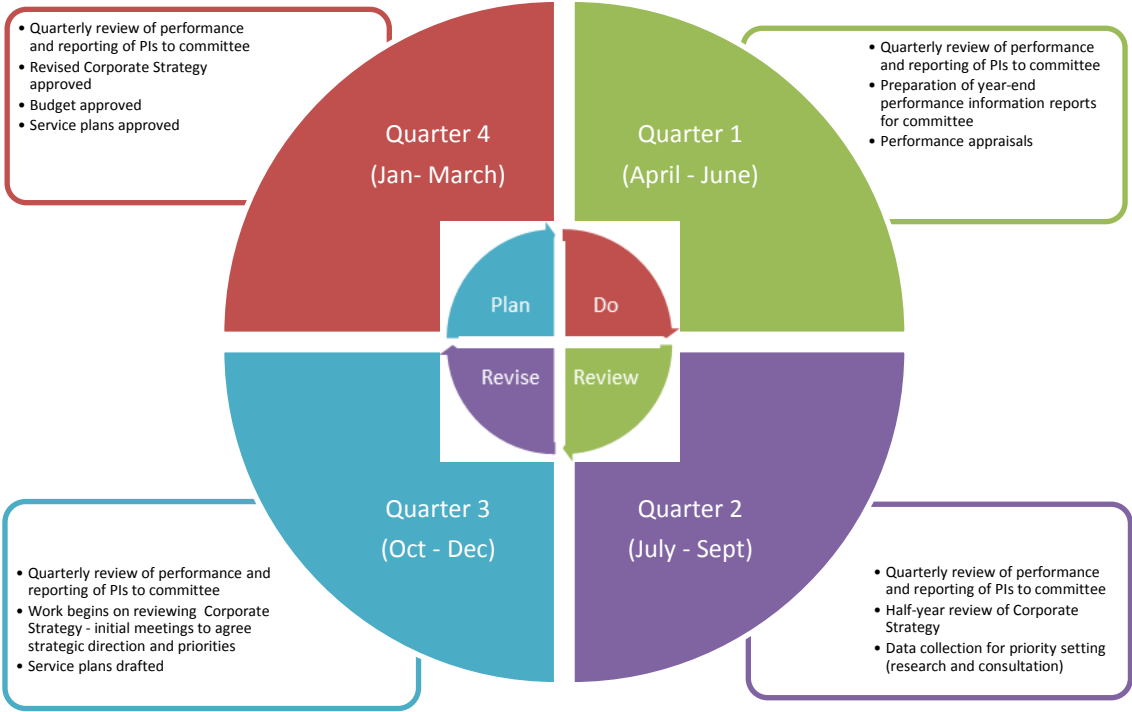
DEVELOPMENT OF THE NEW CORPORATE STRATEGY 2019-2023

Following local elections in May 2019 the new Council will agree a strategic direction and together with senior management agree the priorities for the Council over the strategy's four year life-span. Priority setting will be based on meeting the needs of the local community. Research, consultation and performance information will also be used to help set objectives.

The new strategy will be subject to regular review. Our strategic planning broadly takes place on an annual cycle, but in order to respond effectively to ever changing environment in which

we have to deliver services to our customers, planning and reviewing is a recurring process that also takes place on a quarterly basis.

The diagram below sets out the annual strategic planning and performance cycle:

Quarter 4 (Jan- March)
- Quarterly review of performance and reporting of PIs to committee
- Revised Corporate Strategy approved
- Budget approved
- Service plans approved

Quarter 1 (April - June)
- Quarterly review of performance and reporting of PIs to committee
- Preparation of year-end performance information reports for committee
- Performance appraisals

Quarter 3 (Oct - Dec)
- Quarterly review of performance and reporting of PIs to committee
- Work begins on reviewing Corporate Strategy - initial meetings to agree strategic direction and priorities
- Service plans drafted

Quarter 2 (July - Sept)
- Quarterly review of performance and reporting of PIs to committee
- Half-year review of Corporate Strategy
- Data collection for priority setting (research and consultation)

Central cycle: Plan — Do — Review — Revise

PERFORMANCE PLANNING, MONITORING AND REVIEW CYCLE

The performance planning, monitoring and review cycle provides an opportunity to continuously review our performance and to take early action if something is going wrong. There are four stages to the process:

PLANNING

Where are we now, and where do we want to be?

Where we are now is reflected in actual performance against our agreed measures (at both a corporate and service level). This helps us to interpret data and contextual information to understand current performance, look for recognised trends (if there are any) and identify opportunities that will improve performance and help us to get to where we want to be through planned and systematic changes.

DOING

How do we get to where we want to be?

To get to where we want to be we need to maximise our capacity to deliver actions set out in our various plans, manage risks and allocate resources and use performance management monitoring and information to ensure we remain on course.

REVIEWING

How are we doing and are we there yet?

By monitoring and managing performance we can assess our progress towards achieving our ambitions.
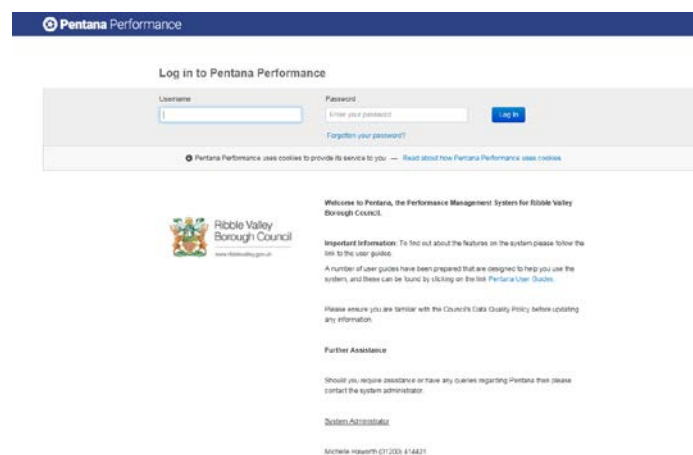
REVISING

What do we do next?

It is important that our services evolve to meet changing business needs and those of our residents. Having reviewed our performance we may need to change what we are doing to revise our ambitions and priorities in light of emerging issues and lessons learned so that we continuously improve the services we deliver.

To maximise the effectiveness of business planning and the performance monitoring and review cycle a timetable sets out how these align to each other, and to the budget monitoring and financial planning process.

PERFORMANCE MANAGEMENT SYSTEM – PENTANA PERFORMANCE

To facilitate efficient and effective performance management, important data and related contextual information is monitored and reported through Pentana Performance, our performance management information system.

The system provides a number of ways to help make the most of one of our most important assets: information. Pentana Performance is cloud-based performance management software that provides real time visibility, and control, of every aspect of strategic and operational performance and risk. The Council uses the system to:

- Control and improve strategic and operational performance

- Meet targets and achieve objectives

- Comply with regulations and standards

- Anticipate problems and opportunities

The modules we currently use include:

- KEY PERFORMANCE INDICATOR (KPI) MANAGEMENT - The module is used to focus management attention on key metrics in order to take corrective action where needed. The Performance module provides an integrated, organisation-wide repository for performance information.

- DASHBOARDS, CHARTS AND MANAGEMENT REPORTING - This module provides visually comparable trend data for performance indicators against specified time periods using flexible charting tools. Dashboards provide single-page displays of the most important information people need to do a job. The modules present results and progress in visually-engaging reports.

- ACTION MANAGEMENT - This module allows us to track progress on actions, plans and projects.

The system also includes the following modules which we currently do not subscribe to:

- INCIDENT REPORTING, FEEDBACK AND COMPLAINTS MANAGEMENT - These modules manage the customer communication process, allowing users to monitor contact from start to finish, consolidating all customer communications into a single, structured system that makes it easier to investigate and resolve incidents.

- AUDIT RECOMMENDATIONS - The system can be used to improve collaboration and transparency in progressing recommendations arising from risk and control reviews. Managing recommendations transforms audits in to the starting point for strategic organisational change projects.

- APPRAISAL AND COMPETENCE MANAGEMENT - This module can be used to carry out performance appraisals. The system can be used to help understanding of and communicate the individual's role in the organisation's strategic success. The Appraisal module streamlines the employee performance management process and captures business intelligence to support HR decision-making.

- DOCUMENT AND POLICY MANAGEMENT - This module can be used to communicate policies to staff to protect the organisation from exposure to the risk of non-compliance. The system provides an integrated, organisation-wide document repository for all corporate policies, ensuring compliance and efficient administration.

- RISK MANAGEMENT - The risk module helps to ensure a dynamic and integrated process for risk management. Organisation wide risks can be seen in interactive dashboards and heat maps, giving management a live view of emerging risk and plans for action.

ACCOUNTABILITY – TAKING RESPONSIBILITY FOR RESULTS

Effective performance management requires clearly defined and structured accountability. Business planning and regular review and revision need to take place at all levels of the Council – the different roles and responsibilities expected from each of these is set out below.

COMMITTEE

Ultimately, councillors are responsible for setting the direction of the Council. They do this annually by approving the Corporate Strategy. The document sets out the strategic direction of the Council over a four year period (the period between local elections), providing a focus to ensure that the services we deliver meet the needs of our communities.

The Strategy is reviewed annually to ensure that it continues to reflect changes to our priorities that occur over time. Following the next local elections taking place in 2019, we will develop a new Strategy.

Throughout the year Heads of Service are responsible for providing regular performance information to each committee.

Each committee also receives an annual report, prepared by the Policy and Performance Officer, detailing year-end performance under their area of responsibility. This report also provides information on targets set for the following year.

CORPORATE MANAGEMENT TEAM

Corporate Management Team review performance on a quarterly basis and can ask Heads of Service to review areas of concern and agree management action to address under-performance at any time.

CHIEF EXECUTIVE AND DIRECTORS

The Chief Executive and Directors are responsible for overseeing the performance of the whole of their service area. They make sure that Service Plans are monitored.

HEADS OF SERVICE

Heads of Service managers are assigned as 'owners' of success measures, actions and performance indicators with overall responsibility for their performance and early intervention if things are going wrong, so that action can be taken to get back on-track.

Heads of Service should meet with their teams regularly to share information, review progress of performance information and service plans, and take action to deal with underperformance, develop ideas, identify emerging issues and areas of work for the next plan and agree a way forward on a variety of matters.

Heads of Service have general responsibility for corporate activities and actions such as sickness absence management, governance and assurance and health and safety. Whilst various mechanisms are in the place to monitor these, Pentana can be used so that relevant data and information is captured in one place.

INDIVIDUALS

All staff have a responsibility to deliver the tasks that have been agreed in their appraisal and understand how their work contributes to team, service and Council priorities. Within Pentana, individuals can be assigned to success measures, actions and project milestones that they will be responsible for, updating data and commentary at agreed frequencies (monthly, quarterly, half yearly or annually).

PRINCIPAL POLICY AND PERFORMANCE OFFICER

The Principal Policy and Performance Officer co-ordinates the Councils performance management, monitoring and reporting and provides guidance and support on corporate and service business planning arrangements.

SUPPORT SERVICES

Human Resources support the delivery of quality services through the development of a skilled and motivated workforce.

Other support services will provide advice and support so that governance arrangements are in place that will deliver the Councils priorities whilst making the best use of resources that represent value for money and proper stewardship.

Financial management is a crucial part of the business planning cycle – planning how to allocate resources, understanding what can be afforded, and managing the budget, cost and income risks. Resources (Finance) will provide sound financial advice and help find solutions and manage opportunities and challenges that will deliver services within available resources.

ASSURANCE AND QUALITY CONTROL

Our performance culture is founded on the knowledge that everyone contributes through our performance management framework and, where appropriate, measurable activities at every level (i.e. individual, team, service and corporate) that translate into outcomes that affect and have an impact on delivering and improving our services.

The key to this is determining success measures that are derived from purpose. This means understanding what the system or activity is there to do (e.g. Increase recycling rates; Increase number of affordable homes) and then ensuring that the measures help us to tell whether we are actually doing this.

Once we have the right measures, they must be measured the right way. This involves considering good quality data reported in a timely and accurate way that tells us about the actual performance of our measures. The key is to intelligently interpret data – as well as contextual information - and to use this to understand the capability of the system or activity, taking into account recognised trends and variations and identifying opportunities for improving performance where this is needed. The right measures then provide an evidence base from which to make decisions, initiate systematic adjustments and determine actions.

PERFORMANCE MANAGEMENT FRAMEWORK (PMF) EVALUATION

This PMF will be reviewed annually or when significant changes are made to the way the Council plans and monitors performance to ensure it both remains appropriate to the Council's performance management needs, and contributes to the achievement of measurable service and corporate improvements.