Huntingdonshire
DISTRICT COUNCIL

Performance Management Framework

April 2014
For use by Councillors and Staff

Introduction

"Our vision is that Huntingdonshire District Council will continue to improve the quality of life for the people of Huntingdonshire and work towards sustainable economic growth whilst providing value for money services.

Effective performance management is important to the success of any organisation. It ensures we remain focussed on what is important to local people and that we provide efficient and effective services.

We are putting in place systems and processes that enable us to make decisions based on sound data and tracking our progress to see if we are achieving what we have set out to do. We will use a range of methods to tell local people about our performance, what has been achieved in the District and how public money is being spent.

This guide is to outline our approach to performance management in simple terms so that everyone can understand how it works and where they fit in."

Cllr Jason Ablewhite

Executive Leader of the Council

Background

This guide to the Council's Performance Management Framework gives background information on the different parts of performance management, why they are important and how they fit together.

The performance framework is a summary of how the Council sets, delivers, monitors and reports on its priorities. Performance management at its best includes strategy, finance, performance, people and risk management. It makes clear what is reported and who is accountable.

For further information, support or guidance, please contact the Corporate Team.

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What is Performance Management?

Performance Management is about taking action in response to actual performance to make outcomes better than they would otherwise be. Inherent within this is the need to know and understand both the intended outcomes and current performance levels.

Performance Management happens at every level of the organisation and it involves elected councillors as well as individual members of staff.

Effective Performance Management is based on a continual process, or cycle, which has the following key elements:
1. Agree or reaffirm a set of outcomes and PLAN what needs to be done to achieve those aims
2. Make sure we DO what is in the Plan!
3. MONITOR our progress and performance
4. REVIEW and REPORT what has gone well or what could have gone better

Our performance cycle
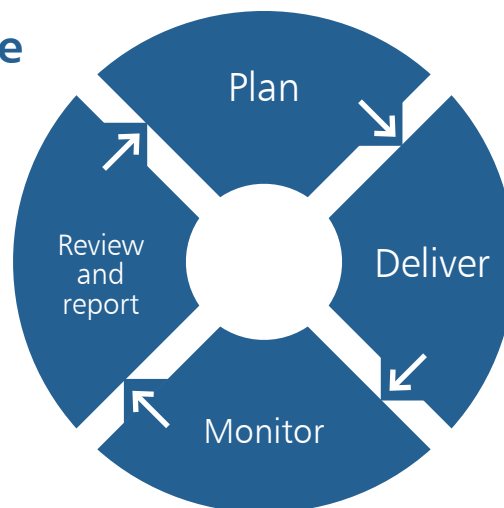
The National Performance Management Framework

Following the general election in May 2011, the coalition government introduced changes to the national framework; this included deletion of the National Indicator set, abolition of the CAA regime and Local Area Agreements; and removal of the Audit Commission from its corporate inspection role. Additionally, the national Place Survey was scrapped. Despite these changes, a large amount of data is still reported to national government, through the 'single data list'; although this tends to be factual raw data rather than analysed data, as was the case with the National Indicator set.

These changes mean that how local authorities organise, deliver and performance manage their services is essentially up to them - with minimal reporting up to Government. There is, however, a clear expectation that local councils are accountable to local citizens and service users. Instead of organising performance management around meeting central Government requirements, it is up to councils to performance manage their services in a way that is suitable and appropriate to their own local circumstances and preferences. This framework outlines how Huntingdonshire District Council has decided to manage, report and scrutinise its performance.

The performance cycle
Our plans

The Council shares common ambitions with its partners to ensure Huntingdonshire is a place where current and future generations have a good quality of life and making the most of opportunities that come from living in growing and developing communities.

The Corporate Plan

The Council's Corporate Plan outlines its own priorities and its role in supporting the shared ambitions for Huntingdonshire. It will also set out how the Council wants to use its own resources, including any planned efficiencies and service priorities. The plan is reviewed and refreshed every two years.

Under each of the four strategic themes, the corporate plan highlights key priorities and outcomes the Council is looking for. It provides the basis for what we do.

A strong local economy - making Huntingdonshire a better place to live, work and invest
Our priorities are to
• Accelerate business growth and investment
• Remove infrastructure barriers to growth
• Develop a flexible and skilled local workforce

Enable sustainable growth - delivering new and appropriate housing with minimum impact on our environment
Our priorities are to
• Improve the supply of new and affordable housing to meet future needs
• Develop sustainable growth opportunities in and around our market towns
• Enhance our built and green environment

Working with our communities - making sure they thrive and get involved with local decision making
Our priorities are for
• Safer, stronger and more resilient communities
• Improved health and well-being
• Empowered local communities

A customer focused and service led council - delivering value for money services
Our priorities are to
• Become more business-like and efficient in the way we deliver services
• Ensure customer engagement drives service priorities and improvement

The plan also includes the Council's 'work programme' that will help us work towards these outcomes.

The performance cycle
How we deliver

The Corporate Plan sets out what the Council aims to achieve in addition to our core statutory services, and is aligned with the Council's Financial Plan.

The Financial Plan explains how the Council will manage its resources and budgets over a three year period and how resources will be used to deliver services and meet the Council's key aims. Key priorities of each service are considered each year as part of the budget setting process.

Sitting beneath the Corporate Plan are Directorate and Service Plans which cover all services. The Directorate Plans contain key objectives that each service will work on over the coming year, together with higher priority objectives that are either of significant importance to the authority, or cut across more than one service / team. The plans also outline how the objectives will be delivered.

The Council's staff appraisal system results in specific targets being set for all individual members of staff on an annual basis. Individual objectives and targets should relate to key activities set out in directorate and service plans, and, in appropriate cases, some of the key actions set out in the corporate plan.

How it all fits together

Key area plans and strategies (5 years +)
Broad community/quality of life outcomes

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Corporate plan (reviewed bi-annually)
Corporate outcomes, priorities and key actions

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Other corporate plans and strategies (National guidance/ requirements)
i.e. Economic Growth Plan, Housing Strategy etc.

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Directorate Plans (annual)
Includes key priorities for all services

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Team/Service/Project plans (as appropriate)
Drawn up for internal use by service managers
to ensure delivery of the key priorities

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Individual targets
Targets agreed as part of the appraisal process and individual
performance tracked by line managers and reported centrally

The performance cycle
How we monitor, review and report

The delivery of all key projects, initiatives and action plans are monitored regularly.

Cabinet members monitor projects and service performance through formal quarterly reports and informal progress meetings with relevant corporate directors and service managers.

The delivery and performance of corporate plan actions and key services can also be reviewed by the Council's scrutiny panels.

Management Team (the Managing Director and the corporate directors) receive quarterly reports on progress made against the key actions in the corporate plan. This quarterly report is published on the Council's intranet for access by all councillors and staff and on a quarterly basis this information is formally presented to the relevant scrutiny panel.

Management Team, cabinet members and the appropriate scrutiny panel also receive quarterly information and analysis on achievement against a suite of agreed corporate performance indicators. The indicators cover all directorates and the reports highlight any specific performance issues. The scrutiny panel monitors performance and any action plan put in place to correct poor performance, where applicable.

Portfolio holders use quarterly reporting, together with regular briefings to hold officers to account. Scrutiny members will use the quarterly reports to hold cabinet members accountable for their portfolios.

Inclusion on the scrutiny panel agendas ensures our corporate and performance indicator monitoring information is available to the general public via our website.

Service managers monitor their own operational performance information, including budget monitoring, service performance and progress on key projects, reporting to their corporate director.

Service managers monitor staff performance and carry out formal staff appraisals at least twice each year, checking that agreed target areas are on track for achievement.

The Corporate Team ensure that managers at all levels receive full training, including refresher training, on the scheme and also monitor adherence, through random sampling, each year.

The Council's key strategies and projects are reviewed periodically by the relevant service manager. An overview is maintained by corporate directors and progress on key projects is reported through the quarterly corporate monitoring process.

Acting on performance information

Opportunities for development are identified by councillors and senior managers through a range of processes. Cabinet can request managers to provide information on performance issues and call for further work to be undertaken to address specific concerns if applicable. The relevant scrutiny panel can also request information about performance to be provided and explained.

The Corporate Team checks that financial and performance decisions are aligned and that resources are focussed on supporting the key priorities. They will work with managers and councillors to resolve any conflicts that arise. Their role is also to share learning and good practice and ensure that value for money considerations are central to decision making.

Opportunities for improvement may be identified through research into best practice at other authorities, as well as by reviewing our own processes and how they can be improved. There are a number of opportunities to share learning and good practice with other local authorities and organisations through networks and attendance at events. The peer review process – whereby another council or an improvement group is invited to challenge areas of performance and suggest changes – is also used where it is appropriate.

Customers, service users and other stakeholders provide an important source of performance information through feedback mechanisms, focus groups, surveys and complaints. Information is collected, monitored and can be used to improve services. The Council has a corporate approach to dealing with complaints and monitoring complaints data.

Feedback from staff can also be useful in identifying opportunities to improve services and performance. Feedback comes from team meetings, staff consultations, staff appraisals and exit interviews.

Ensuring good data quality

All performance information is underpinned by good quality data and our arrangements to ensure good quality data are set out in our Data Quality Strategy. The strategy aims to ensure that across the Council's directorates, there is a consistently high standard of data production and use.

All staff involved in the collection, collation and reporting of performance data have a responsibility to ensure that it can be relied upon. Departments need to ensure they have sound procedures in place and provide adequate training and guidance for staff. For more information, see the Council's Data Quality Strategy.

Corporate Governance

We are responsible for ensuring that our business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.
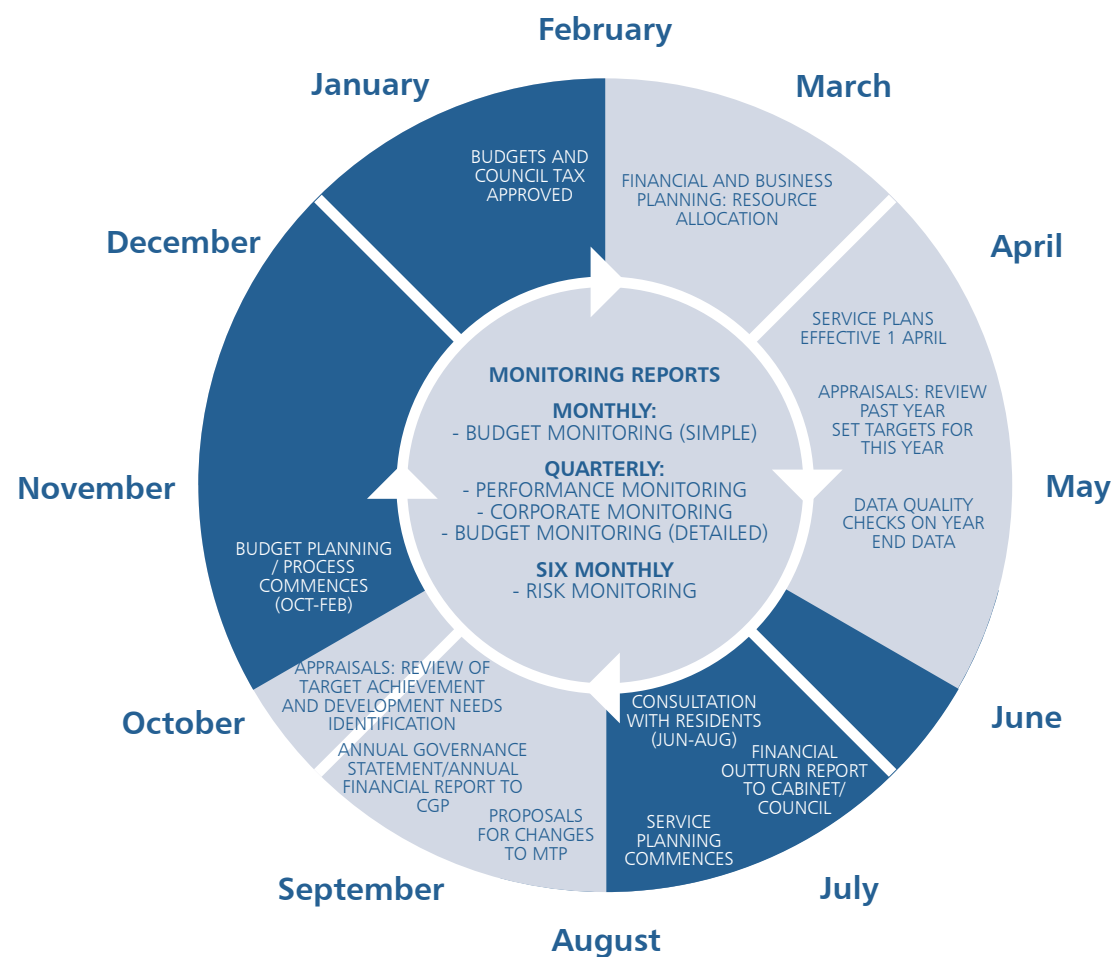
We also have a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which our functions are exercised. In meeting this overall responsibility, we are also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.

The Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government.

On an annual basis, a review must take place of the effectiveness of the systems of internal control and an Annual Governance Statement must be produced. We assess how well we are complying with our Code of Corporate Governance and give an opinion on whether the corporate governance arrangements are adequate and operating effectively.

The Internal Audit team carry out the monitoring and assessment required to prepare the Annual Governance Statement on behalf of the Executive Leader and Managing Director.

The annual corporate and budget planning cycle

MONITORING REPORTS

MONTHLY:
- BUDGET MONITORING (SIMPLE)

QUARTERLY:
- PERFORMANCE MONITORING
- CORPORATE MONITORING
- BUDGET MONITORING (DETAILED)

SIX MONTHLY
- RISK MONITORING

BUDGETS AND COUNCIL TAX APPROVED

FINANCIAL AND BUSINESS PLANNING: RESOURCE ALLOCATION

SERVICE PLANS EFFECTIVE 1 APRIL

APPRAISALS: REVIEW PAST YEAR SET TARGETS FOR THIS YEAR

DATA QUALITY CHECKS ON YEAR END DATA

FINANCIAL OUTTURN REPORT TO CABINET/ COUNCIL

SERVICE PLANNING COMMENCES

CONSULTATION WITH RESIDENTS (JUN-AUG)

PROPOSALS FOR CHANGES TO MTP

ANNUAL GOVERNANCE STATEMENT/ANNUAL FINANCIAL REPORT TO CGP

APPRAISALS: REVIEW OF TARGET ACHIEVEMENT AND DEVELOPMENT NEEDS IDENTIFICATION

BUDGET PLANNING / PROCESS COMMENCES (OCT-FEB)

Roles and responsibilities

Our approach relies on us all to take performance management seriously and ensure the Council makes its plans, policies and decisions based on good quality information. Roles and responsibilities are outlined below:

Council

Elected members are ultimately accountable to the electorate for the overall performance of Council services.

Executive Leader of the Council

Has overall political accountability and is ultimately responsible for the Council's performance.

Cabinet

Is the executive body of the Council. Cabinet determine the policies, priorities and projects that will be undertaken by services each year. This work is set out in the Corporate Plan and directorate plans, and the associated resources needed are within the annual budget setting and prioritisation process.

Portfolio Holders

Each cabinet member is given a portfolio of services and activities for which they take responsibility. This detail is set out in the Council's Constitution. Portfolio holders are actively involved in reviewing performance in relation to their portfolio. The Executive Leader of the Council has portfolio responsibility for the Council's performance management and data quality arrangements. However, performance management is an integral part of every portfolio holder's responsibilities.

Scrutiny Panels

The role of these bodies is set out in the Council's Constitution. The panels identify areas of the Council's work that need to be scrutinised and challenge performance and service improvement initiatives. The relevant scrutiny panels receive reports such as the quarterly Performance Monitoring reports and agree the associated action plan which outlines what is being done to tackle issues identified. Scrutiny panels may choose to convene task and finish groups to investigate a specific performance issue.

Audit & Risk

The appropriate scrutiny panel monitors the risk management and governance arrangements at the Council to help ensure the effective delivery of services and the achievement of objectives. This panel, through the work of Internal Audit, ensures the Council has adequate controls in place. The panel review, and should contribute to the development of the Annual Governance Statement ahead of its presentation to Council via Cabinet.

Managing Director and Corporate Directors (individually and/or collectively)

Management Team advise members regarding the setting of strategic direction and performance improvement priorities. Corporate directors set targets and standards for performance, and identify and manage strategic and performance issues and opportunities facing the Council. Corporate directors receive regular information on performance from their service managers and consider reports on key strategic performance issues, including achievement against the corporate plan.

Corporate directors have responsibility for ensuring that their directorate has effective data processes for monitoring performance indicators and ensuring that operational responsibilities for data quality have been delegated to individuals.

Management Team have responsibility for promoting the integration of performance management into the culture of the Council and for ensuring that performance information used in decision making is 'fit for purpose' and reliable.

Service Managers

Service managers are responsible for the overall operational performance of their service and for the contribution that their service makes to the outcomes and objectives within the corporate plan. They are responsible for contributing to the integration of performance management into their area and for ensuring the quality of all data collected and reported within their areas of responsibility.

Where performance targets/standards are not achieved, service managers are required to explain this and consider what remedial action is required; for corporately monitored performance indicators this is reported in the quarterly monitoring and action reports.

Service managers are required to provide assurance on the effectiveness of controls in place to mitigate/reduce poor performance in their service and ensure the involvement of staff in setting relevant and appropriate targets through the annual service planning and appraisal process.

Corporate Team

This team supports performance management and data quality within the Council by co-ordinating the corporate approach to performance management, directorate and service planning. Support and guidance is provided to corporate directors and service managers in delivering the performance management framework, and on elements such as performance indicators, monitoring of achievement against corporate priorities, benchmarking, research, directorate and service planning, and service review requirements.

Support is also provided to directorates in the creation of data processes that support monitoring including advice and guidance regarding the collection and calculation of performance indicators and the maintenance of the performance sections of the Council's intranet system.

Internal Audit

The team produces the Annual Governance Statement on behalf of the Executive Leader and Managing Director, which is reported to the Cabinet and Council.

In addition to dealing with the provision of audit services, this team provides guidance and information on risk management. If data quality issues are identified through the course of an audit, whether linked to performance indicator data or not, this will be raised in the audit report. Internal audit also provide an independent review of the corporate approach to performance management and data quality.

Managers / Supervisors / Team Leaders

All levels of staff with managerial responsibility are responsible for the operational performance of their team and for the two-way communication of corporate initiatives and performance issues. This group of staff are responsible for ensuring their staff have regular appraisals and reviewing the training and skills needed to carry out their jobs. They should also ensure that their staff have access to and are familiar with corporate and departmental policies and procedures on performance management and data quality.

Individual staff

All staff have a responsibility to manage their own performance. Each member of staff will be set specific targets as part of their appraisal every year, which staff members will be involved with agreeing. As well as identifying actions and targets for the current year, relevant training / personal development needs are identified through the appraisal process. Formal procedures exist to address continual and serious cases of under-performance.

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