

PERFORMANCE MANAGEMENT FRAMEWORK

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1 Document Information

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2. Contents

	Page No
3. Introduction	4
4. Components of Performance Management	4
4.1 Performance Management Plans	4
4.2 What happens first?	5
4.3 Why measure performance?	6
4.4 How do we know it's working?	7
4.5 Establishing good performance indicators	8
4.6 Data Quality	8
4.7 Benchmarking	8
4.8 Complaints Management	9
5. Performance Management/Monitoring Arrangements	9
5.1 Individual supervision and 1:1 meetings	10
5.2 Service Boards	10
5.3 Directorate Performance Boards	10
5.4 Meetings with the Chief Executive	10
5.5 Corporate Management Team/Executive Board	10
5.6 Quarterly Performance Management Report	10
5.7 Personal Development Reviews	10
5.8 Target Setting	10
5.9 Benchmarking Reviews	10
6. Roles and Responsibilities for Performance	12

3. Introduction

Defining performance management

Performance management is about using performance data and information to make decisions which lead to outcomes being delivered.

It is about setting goals, creating plans to meet those goals, continually assessing progress towards meeting those goals, and making decisions based on evidence to ensure the goals are met.

How the council manages its performance

The council's goals, or outcomes, are set out in its corporate plan. The council has plans in place to meet the outcomes in the corporate plan. These plans include directorate plans, service plans, team plans, personal development reviews and financial plans. These are updated annually to ensure they remain current. The council also has project plans in place to ensure its outcomes are met. These are updated continually to ensure projects remain on track.

The council assesses progress against its outcomes through collecting data and monitoring it against targets. It does this on a monthly basis through its directorate service boards, service boards, team meetings and staff one to ones. The council's cabinet and scrutiny committee also monitor progress on a quarterly basis through the quarterly performance management report which is published on iwight.com.

4. Components of Performance Management

4.1 Performance Management Plans

- **The Corporate Plan (where do we want to go?)**
A three year plan that sets out the council's medium term vision and priorities and the outcomes it hopes to achieve for the island's communities within the resources available.
- **The Medium Term Financial Plan (how are we going to do it?)**
A three year plan which sets out the council's strategic approach to the management of its finances and how it will allocate available resources to strategic priorities and to deliver planned outcomes.
- **Directorate Plans (what needs to be done?)**
Annual plans which set out the key delivery outcomes and activities for each directorate, and support the delivery of the corporate plan. These plans include how we will report on progress towards these outcomes and how we will know when they have been achieved.
- **Service/Team Plans (what actions must we take and who is responsible?)** Annual plans that act as the interface between the corporate plan and service delivery. They set out the operational activities that will be undertaken to ensure the priority outcomes are met.
- **Personal Development Plans (what actions must we take and who is responsible?)**
These are compulsory plans setting out personal objectives for each individual member of staff. These are agreed between staff and their line manager during annual performance reviews. Agreed targets must be monitored throughout the year in monthly

scheduled one to ones, with a formal mid-way review. These plans also set out the development activities that are deemed necessary to assist officers successfully achieve their agreed targets.

The diagram below shows how the vision for the island is filtered down through the organisation so that each person in the authority can contribute towards it.



4.2 What happens first?

There is a cycle of activity that needs to be undertaken and repeated on a regular basis as set out below:

- What services do we need? (what does the island want?)
- Where do we want to go? (set a vision)
- What needs to be done? (agree outcomes/objectives to be delivered)
- How are we going to do it? (create a plan)
- What actions must we take and who is responsible? (assign actions to individuals)
- What might stop us achieving what we set out to do? (identify risks)
- Have we done what we said we were going to? (gather evidence to monitor and review)
- How did we do? (review successes/failures and learn from them)

The diagram below shows the cycle of activity involved in performance management. The table provides further information to explain each of the steps.



Step:	Definition:
1	Assess the needs of customers and communities. Use needs assessments, consultations, feedback, complaints etc. to assist.
2	Set a vision and priorities to be clear on direction. Use results of step 1 to assist.
3	Set some smart objectives with measures of success and associated targets. Objectives and performance measures should be specific, measureable, achievable, realistic and time-bound.
4	Create plans to achieve objectives with resources required. Plans may include: directorate, service, team and individual plans. Consider the resources required to meet objectives. Resources may include people, money, time, etc.
5	Consider what might prevent the objectives from being met.
6	Use performance data, project highlight reports, complaints, feedback etc. To assess progress against the objectives set, Self-assess.
7	Use what you learnt from step 6 to revise your plans and keep on track.

4.3 Why measure performance?

- Decisions can be made based on evidence, reducing the risk of failure
- Measuring results determines whether initiatives have been successful
- It helps to identify best practice which can be repeated elsewhere
- It enables comparisons to be made with other authorities
- The council can determine whether it is delivering value for money

4.4 How do we know it's working?

- Resources will be aligned to priority outcomes
- Poor performance will be identified and addressed, and good practice shared
- Significant risks will be identified and managed effectively
- There will be early warning of any potential barriers to success
- Staff will be provided with clarity of their own targets and how these contribute to the achievement of the council's priority outcomes
- There will be a strong evidence base for improved decision making and resources will be effectively and efficiently used

4.5 Establishing good performance indicators

It is important to remember that an effective performance management system is only as good as the indicators that are defined, set and monitored. In practice however, whatever indicators are used, it is as equally important to remember that performance management is not an exact science. Most indicators are at best designed to measure only one aspect of performance which is considered to be important and so it is necessary to have a range of indicators and comparator information that can be used alongside each other to help inform decision making.

It is important to measure things that will show whether objectives have been met. Data should only be collected if it is going to be used to inform decision making.

Performance indicators, or measures, should be SMART (specific, measurable, achievable, realistic and time bound). This will make them meaningful.

For example, 'total number of planning applications received' only provides a small amount of information for managers to make decisions about the future of their service. Supplementing this with other SMART indicators such as 'the percentage of major planning applications determined within thirteen weeks' and 'the percentage of minor applications determined within eight weeks' provides service managers with much more information about the performance of their service.

It is important to set stretching, yet realistic, targets where possible to ensure objectives are met.

In order to monitor activity across the whole service it may be necessary to use different types of indicators to build up a complete picture of how the service is performing. Types of performance measures to consider:

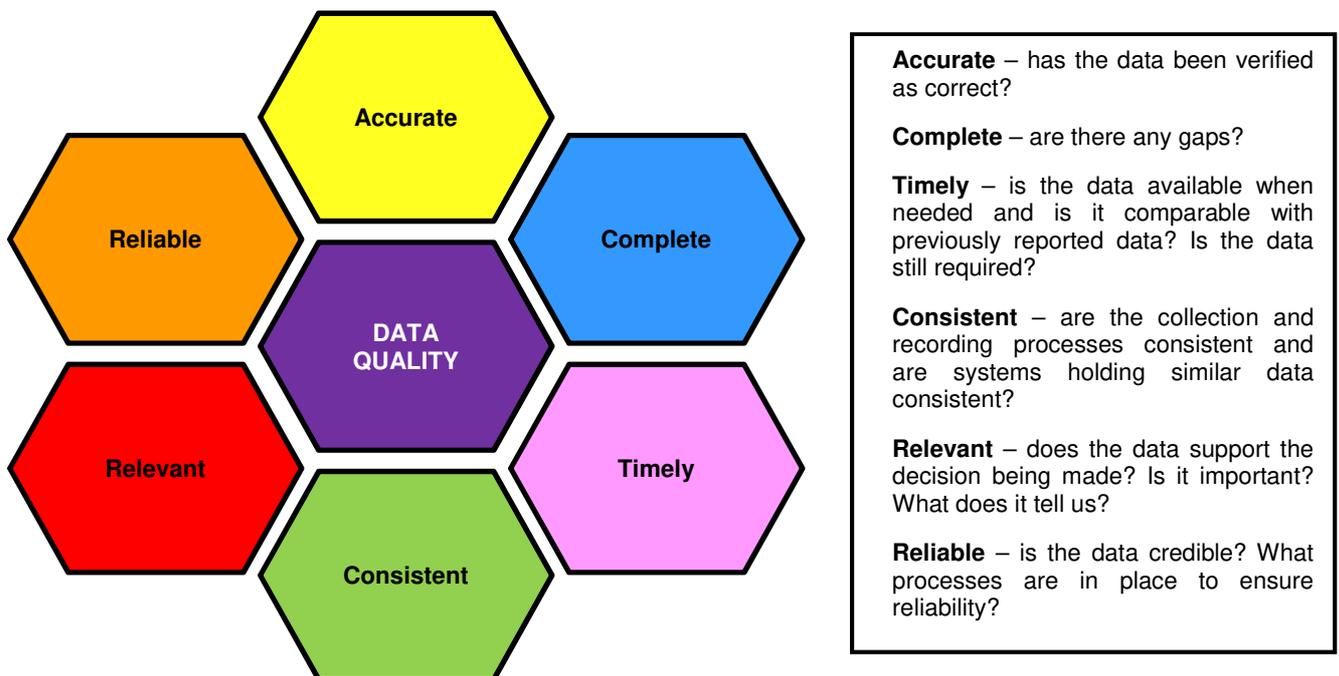
- **Cost indicators** – that measure the cost of providing a service
- **Productivity indicators** – that measure the volume or amount of work done over a period of time
- **Utilisation rates** – that measure the extent to which services have been used
- **Time targets** – that measure the average amount of time taken to carry out an activity
- **Demand indicators** – that capture information about the needs of people for services

- **Statutory indicators** – that capture information required by central government and other regulatory bodies
- **Feedback indicators** – that measure the quality of the work done from users of services.
- **Comparator indicators** – that are collected alongside other authorities to enable comparisons to be made.

4.6 Data Quality

Data needs to be of good quality in order to base decisions upon it. It needs to be collected and reported consistently so that comparisons can be made with previous months/years.

Below is a diagram showing the components of good data quality.



In addition, the council aspires to the ‘COUNT’ principle – ‘collect once and use numerous times’, where permitted to do so, to underpin effective data collection and storage.

4.7 Benchmarking

The comparison of key performance data against other local authorities, other public and private sector bodies, allows us to put performance into context with similar services. It allows measurement of whether outturn is above average, average or below average and whether value for money is being secured for the investments made. It helps to evaluate our own position and should be undertaken regularly as part of effective performance management activities. It also helps us to provide links between our levels of performance and any unique factors faced by the Island.

Types of performance benchmarks that allow comparisons to be made may include:

- **Time** – comparing a month/quarter/year’s performance with that of previously

- **Standards** - comparing performance against a local, regional, national or statutory requirement
- **Intra-service** – comparing performance of one internal department against another
- **Inter-service** – comparing performance against other local authorities or public sector bodies
- **External** – comparing performance against private sector organisations or other types of service providers

4.8 Complaints Management

Complaints provide a means for people to voice concerns about services and they provide valuable feedback on how the council is performing. Data and information derived from customer complaints is an essential component of performance management activities and should feature regularly as a means to evaluate how well the council is doing. Complaints should be taken seriously and clear processes should be in place to enable management to take action where appropriate.

5. Performance Management/Monitoring Arrangements

It is important to regularly review and evaluate performance against targets including undertaking benchmarking and forecasting to help make sure that performance both current and future is kept on track. This allows where identified, any performance that is of concern to be explored in detail and to identify appropriate remedial actions if required. It also provides opportunity to highlight and celebrate successes and to gain learning of how improvements elsewhere can be achieved.

There are a number of activities that form part of such performance monitoring and reporting arrangements that allow us to monitor progress against the achievement of the council's agreed priorities. Each activity requires detail and discussion of historical, current and forecasted performance data; what actions are proposed to address areas for improvement and what issues or problems are being experienced that are preventing the expected level of performance being achieved as well as the action that can be taken to rectify these.

Performance information is expected to be kept in the Corporate Performance Management Databook. For measures requested by the Chief Executive or Cabinet this is mandatory.

There is therefore an annual cycle of monitoring activity and performance reporting throughout the year, designed to act as key points at which performance is formally considered. This is summarised in the diagram below:



5.1 Individual supervision and 1:1 meetings

Regular meetings between line managers and individual members of staff to review progress against agreed targets, matters relating to the workplace and wellbeing, identifying any actions necessary to improve performance as well as the actions that can be taken to address any issues or barriers that may be getting in the way of successful achievement.

5.2 Service Boards

Meetings chaired by service managers at team meetings to provide a regular forum at team meetings to review operational performance progress, risk management issues and budget monitoring. The format and frequency of the meetings, attendees and the range of data/information used to inform discussions is at the discretion of service managers.

5.3 Directorate Performance Boards

Chaired by Directors and Heads of Service to provide a regular forum for services to review performance progress, risk management issues and undertake budget monitoring. This allows management teams to exercise control over activities assigned to them and through review of data, information and intelligence, determine actions to be taken in response.

5.4 Meetings with the Chief Executive

An opportunity for Directors and Heads of Service to discuss progress against performance outturn, issues and challenges that are preventing achievement of any agreed targets, areas of success and achievement and to identify any remedial action required planned activities.

5.5 Corporate Management Team/Executive Board

An opportunity for Directors and Heads of Service to discuss progress against performance outturn, issues and challenges that are preventing achievement of any agreed targets, areas of success and achievement and to agree planned activities for improvement

5.6 Quarterly Performance Management Report

A report to cabinet that sets out key performance achievements, details of issues that are faced by the council, in being able to meet its agreed priorities and what action is being taken as a result. The scrutiny committee have opportunity to review the content of this report and can make recommendations to the cabinet for their consideration in determining and action, if any, to be taken in response.

5.7 Personal Development Reviews

An annual meeting between line managers and their individual members of staff to formally review performance against agreed objectives as well as to agree new targets for the year ahead. It provides opportunity to reflect on any of the factors that have affected performance during the year and is a process that ensures every employee understands what is expected of them, how their work relates and contributes to the achievement of council priorities, and to identify what training and development needs they may require in order to be successful at work.

5.8 Target Setting

All performance measures should have a target for both in-year and end of year outturn. The setting of this target should be based on the level of performance required in order to measure contribution to the delivery of agreed outcomes.

5.9 Benchmarking Reviews

Benchmarking information tends to become available on an annual basis (although sometimes it can be more frequent). The method of reporting performance measures should include where possible, information on available benchmarking that has been undertaken.

6. Roles and Responsibilities for Performance

Role	Responsibilities
<p>Chief Executive:</p> <ul style="list-style-type: none"> • Set the direction for performance management arrangements in the council • Provide assurance to elected members that the delivery of the corporate priorities are being monitored effectively • Hold Directors and Heads of Service to account for performance outcomes • Assist in the removal of potential organisational barriers that may prevent the achievement of corporate priorities 	<ul style="list-style-type: none"> • Report on and communicate council-wide achievements and performance outcomes • Challenge under performance and determine the necessary actions to improve performance • Identify or commission any additional information required to monitor performance effectively
<p>Directors and Heads of Service:</p> <ul style="list-style-type: none"> • Lead performance management within own service areas • Provide assurance to elected members that the delivery of corporate priorities are being monitored effectively within own service areas • Utilise a range of business intelligence to manage performance successfully • Assist in the removal of potential operational barriers that may prevent teams and individuals from the achievement of agreed priorities 	<ul style="list-style-type: none"> • Report on and communicate service area achievements and performance outcomes • Challenge under performance and determine the necessary actions to improve performance within service areas • Escalate any serious or cross cutting issues that may affect the delivery of agreed performance targets • Identify or commission any additional information required to monitor performance effectively
<p>Cabinet Members:</p> <ul style="list-style-type: none"> • Hold a strategic overview of how the council is performing against agreed corporate priorities and agreed outcomes • Hold the chief executive and senior officers to account for performance outcomes • Make decisions as necessary that helps any identified barriers affecting performance to be removed. 	<ul style="list-style-type: none"> • Undertake active monitoring of performance and its impact on the delivery of services to residents • Make decisions based on recommendations within quarterly performance reports • Communicate and report on achievements secured to the community
<p>Scrutiny Members:</p> <ul style="list-style-type: none"> • Hold the Executive to account for performance outcomes • Provide constructive challenge on progress against agreed performance targets and outcomes 	<ul style="list-style-type: none"> • Inspect, examine and enquire into performance data and reporting • Identify, suggest and make recommendations to Executive on the possible courses of action that may assist in securing successful outcomes • Encourage resident engagement in the performance of the council.

Appendix 1. IWC Performance Management System.

The Council uses a MS Excel based system to record and monitor all of its performance information. The system combines measures that are reviewed by Cabinet, CMT or services (or a combination of these.) The system is administrated by Organisational Intelligence.

There are plans to replace this with a more robust database during 2019 for which comprehensive guidance notes will be issued.