

Performance Management Framework

Reviewed By: Performance & Policy Officer

Date: May 2024

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Version Control

Version	Reason for review (review date/legislation/process changes)	Effective Date	Review date
2.0	Review date and process changes	December 2020	December 2023
3.0	Update the framework to reflect the Council Plan 2024-2028 and changes to the process.	June 2024	May 2024

Approvals

Approved by	Date
The Leadership Team	November 2020
Finance & Management Committee	20 th June 2024

Associated Documentation

Description of Documentation
Risk Management Framework

1 Introduction

The Performance Management Framework sets out the Council's approach to performance management and acts as a tool to ensure that the Council is delivering against its priorities and aims. It is designed to develop and support a consistent approach to the way performance and quality is managed, monitored, reviewed, and reported at all levels in the organisation.

2 Definition

Performance management supports service delivery and monitors performance across the Council. It involves people management, communications, cultures and behaviours.

3 Purpose

To achieve the priorities and aims outlined in the Council Plan performance needs to be managed effectively. The Performance Management Framework (PMF) describes how this is accomplished.

4 Framework for Performance Management Design

4.1 Plan, Measure, Report and Review Cycle

Effective performance management ensures our key aims are prioritised and resources are allocated to the right things at the right time. We achieve this through the Plan, Measure, Report and Review Cycle, encouraging good leadership and evidence-based decision making to benefit our residents.

Plan: using evidence-based data, consultation, statutory, political, key strategies, and service delivery to help prioritise and identify the key aims and priorities.

Measure: understanding what success looks like and how this can be measured using performance indicators, projects and milestones and Risk Management.

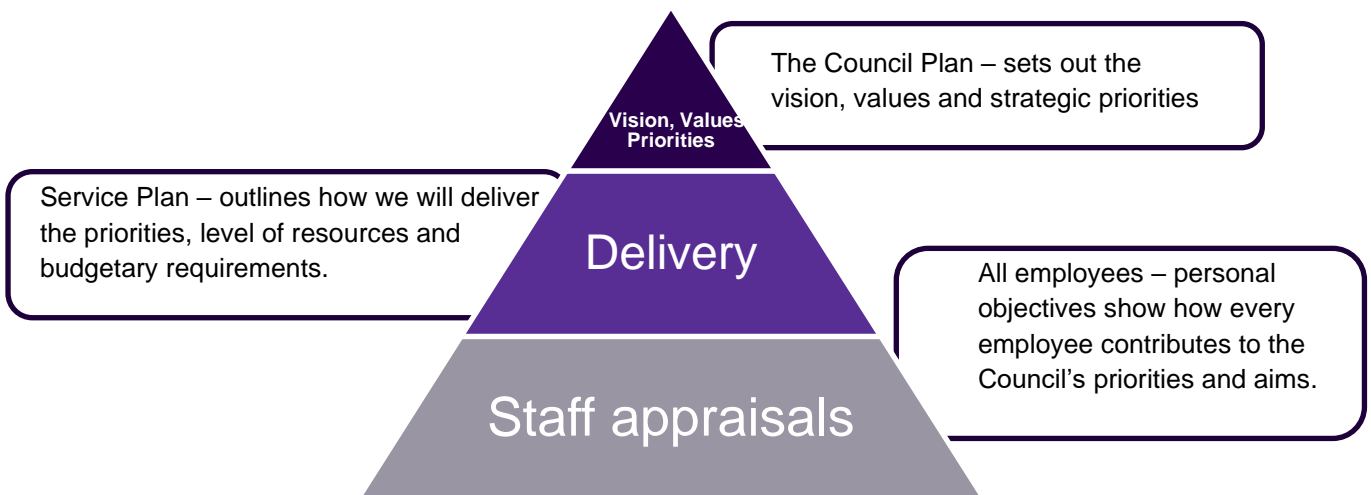
Report: Performance reports will be collated and reviewed by Heads of Service and the Leadership Team before being reported to the appropriate Committee.

Review: Monitoring delivery of performance through data analysis, actions to improve performance and benchmarking.

4.2 Council Vision

The Performance Management Framework consists of three levels:

- The Council's vision, values and priorities which are articulated in the Council Plan, form the apex of the performance management framework. These priorities cascade down through the organisation, as illustrated on the diagram below.
- The Service Plans support the delivery of the Council Plan priorities and shape the objectives of all Council employees. Each service area of the Council, each lead by a Head of Service maintains a Service Plan that details the purpose, challenges, performance indicators and risks necessary to meet the objectives of the Council Plan.
- SDDC staff have performance development reviews (PDRs) at which their individual competencies and progress towards targets set by the Head of Service outlined in the Service Plan are monitored. In this way each member of staff sees how their day-to-day work makes an important contribution towards achieving the priorities of their particular service and ultimately the aims of the Council Plan.



4.3 The Council Plan

The Council Plan sets out the vision for the South Derbyshire. The plan explains the services the authority intends to provide and how they will be delivered. The Council Plan details the Council's specific priorities and aims over a period of four years (2024 to 2028.) These commitments focus on four key priorities:

- Shape our Environment.
- Drive our Economy.
- Support our Communities.
- Transform our Council.

Each of these priorities has specific aims and outcomes to be tackled, with progress monitored regularly through the Leadership Team and Committees.

4.4 Service Delivery Plans

The Council Plan does not cover everything the Council does. As well as enabling effective monitoring and leading our performance management, it links the Council's strategic priorities and aims directly to the activities of each service area through annual Service Plans. A Service Plan is produced for each of the service areas across the Council.

Service Plans are owned by Heads of Service as they are responsible for producing them and for delivering them. Performance and risk in relation to matters included within the Service Plans is discussed in 121 reviews between each Head of Service and their Executive Director.

Service Plans will be updated annually and will be approved in May prior to the PDR process commencing in June and concluding in July.

4.5 Personal Development Reviews

This process will allow for regular discussion and assessment of staff performance, potential and development needs. One of the key benefits of this process for the Council is that it aligns and focuses an individual's objectives with the achievement of organisational goals. It enables:

- A framework for staff to consistently achieve high performance for customers and residents.
- Recognition of individual/team contribution towards council priorities.
- Better focused and developed outcomes enabling the individuals full personal and professional potential to be met.

5 The Framework

- This framework outlines how the work that we already do fit together.
- The Council Plan outlines specific priorities which are the responsibility of the Heads of Service and Executive Directors to deliver. To ensure services are correctly designed to achieve these aims, each area develops a Service Plan.
- The Service Plan forms the cornerstone of the Council's performance reporting process by outlining in detail what the service area is committed to deliver over the next 12 months.
- Heads of Service and Managers are responsible for actively engaging their staff in the performance management process by familiarising them with their Service Plan and quarterly performance reports, and by regularly cascading performance information, including from the Council Plan.
- Service Plans, Council Plan performance reports and this Framework are all published on Connect for staff to access at any time.

6.0 Measure

6.1 Performance Measures

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

6.1.2 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 to provide information based around clear performance objectives, tailoring performance measurement to key delivery drivers that cover.

6.1.3 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.

6.1.4 Performance measures show how the organisation is progressing towards achieving strategic objectives, and what matters most to prioritise resources.

6.1.5 Performance monitoring happens at Leadership Team, Direct Management Teams, and at service level.

6.1.6 The Council Plan is monitored and reported to the Leadership Team and Elected Members on a quarterly basis. The quarterly performance report uses a RAGG system (red, amber, green and grey) to identify overall performance.

Grey is used for monitoring only or for measures or projects where the outturn is not yet known because it is reported annually.

6.1.7 When reporting overall performance to Committees amber and grey measures/projects are reported as on target. RAGG is defined as follows:

Red	more than 5% below target, under-performing, urgent action required.
Amber	5% below target borderline performance, on watch.
Green	Performing on or above target.
Grey	Monitoring only, or annual reporting where an outturn is not yet reported.

6.1.8 Performance monitoring is knowing how the Council is doing in relation to its indicators and targets. Monitoring performance by itself makes no difference if it is not acted upon. Areas of under-performance will require an exception report (**see Appendix 1**).

Progress and delivery of these actions will be reviewed and scrutinised by the Executive Directors to drive forward improvements.

7.0 Financial Monitoring

7.1 Fiscal Management

A fundamental aspect of the council's performance is its fiscal management which at SDDC is governed by the Executive Director of Resources and Transformation, as the S151 Officer. There is an established system for monitoring the council's financial position which is reported to Finance and Management Committee on a quarterly basis as well as forming part of the quarterly performance review process.

7.2 Revenue Budget

The Revenue Budget is approved by Council prior to the beginning of each financial year as part of the corporate planning process following the Financial Strategy and is developed from work undertaken at Directorate level. The Revenue Budget performance is monitored by the Council's Leadership Team and reported to the Finance and Management Committee on a quarterly basis.

7.3 Capital Programme

The Council's ten-year Capital Programme is agreed as part of the corporate planning process approved by Council prior to the beginning of each financial year. Progress on the Capital Programme is reported quarterly to Leadership Team and Committee along with the treasury management position.

7.4 Council Reserves

The level of reserves are agreed as part of the Financial Strategy which is set annually prior to the revenue budget, capital programme, treasury management strategy and council tax being set in February each year. Reserves are monitored on a quarterly basis and reported to is monitored by the Council's Leadership Team and reported to the Finance and Management Committee on a quarterly basis.

7.5 Departmental Monitoring

The Finance Team is responsible for co-ordinating budget monitoring for the relevant Managers with individual monitoring arrangements agreed by Executive Directors and Heads of Service. This involves individual progress meetings with Managers, regular reporting to Directors and Leadership Team and monitoring reports produced at agreed frequencies.

7.6 Value for Money

In addition to monitoring the council's financial position on a quarterly basis, the Council's performance is also monitored by each Service Manager and Head of Service. This ensures that the council is achieving best value for money whilst realising its objectives to meet the community's needs.

8.0 Data Quality

8.1 Accurate Information

8.1.1 Elected Members and the senior management team need performance information to:

- tailor service provision to community needs.
- identify and address areas of concern.
- demonstrate improving value for money.

The performance information reported must therefore be accurate.

8.1.2 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 projects.
- Producing high quality data.
- Reporting information in context.
- Presenting information with insight and commentary.

Good data quality is essential for a strong and effective performance management framework. Performance reports are only as useful as the quality of the information used to generate them.

Poor data quality and performance information can lead to flawed decision making. Data quality is particularly important for Council officers who record data in Council systems, they need to be aware of their responsibilities and the impact they have on data quality. It is also important for officers with the responsibility for performance reporting to ensure that all indicator calculations are accurate and consistent and follow the agreed methodologies and definitions.

The Council recognises the importance of data quality as we need reliable and accurate performance information to manage our resources, meet the needs of the community and plan for the future.

To ensure that data is of good quality these criteria must be met:

Characteristics	Requirements
Accuracy	Data should be accurate for its intended purpose providing a fair picture of performance, enabling informed decision-making at all levels and balanced against the cost of producing such information. If some degree of inaccuracy is acceptable (for example, management information, where it may be more important that the information is available and acted on quickly) then this should be made clear to any users of the data. Data should be captured once only, although it may have multiple uses within the organisation or be shared with partners.
Validity	Data should be recorded and used with the correct application of any rules or definitions to allow comparisons to be made.
Reliability	Data must have trusted sources and consistent collection methods so that real changes in performance are reflected rather than variations in collection methods.
Timeliness	Data should be captured quickly, be available within a reasonable period and frequently enough to influence decision making processes
Relevance	Data should only be collected where it is of value to the Council and requirements should be regularly reviewed. Information used in decisions should be fit for the specific decision being made and presented in a way a decision maker will understand.
Completeness	All relevant data should be recorded. Incomplete or invalid data is a sign of poor data quality.

Methodology statements are written for each Council Plan performance measure to ensure all definitions and calculations are recorded consistently (**see Appendix 2.**) The Performance and Policy Officer reviews each methodology statement prepared to ensure that it captures all of the required information and is in line with the Performance Dashboard. All methodology statements include a confidence level indicator based on the current method of data collection at the time.

The Council's Internal Audit team will perform checks on performance indicators (especially statutory measures and government returns) to ensure data quality is maintained.

9.0 Reporting Cycle

9.1 At SDDC performance is managed through a cyclical arrangement to enable continuous review and improvement. Performance is reported on a quarterly basis to Environmental & Development Services, Housing & Community Services and Finance & Management Committees. See Figure 1 below.

9.2 At the end of each quarter Council Plan performance data is collated, reported, and reviewed to monitor whether targets are being met and identify any improvements and actions needed.

9.3 Performance is reported quarterly to Executive Directors, the Leadership Team and Committees ensuring progress is continuously monitored and reported at every level of Council.

9.4 A quarterly overview of Council Performance is provided to Leadership Team summarising the key features arising and identifying under-performing KPIs.

Figure 1 - Reporting Cycle

- ❖ **Quarter 1 (April, May, June)**
 - Council Plan Q1 reported to Committees in August and September.
 - Service Plans approved in May.
- ❖ **Quarter 2 (July, August, September)**
 - Council Plan Q2 reported to Committees in November.
- ❖ **Quarter 3 (October, November, December)**
 - Council Plan Q3 reported to Committees in March
- ❖ **Quarter 4 (January, February, March)**
 - Q4 Council Plan reported to Committees in May and June

10.0 Roles and Responsibilities

Below outlines the key roles and responsibilities:

10.1 Elected Members

Elected Members and Committees are responsible for:

- contributing to the design and the development of the Council Plan.
- receive and review quarterly performance updates for progress made against priorities and aims outlined in the Council Plan.
- proactively and constructively scrutinise and challenge performance.

10.2 Executive Directors

The Chief Executive and Executive Directors are responsible for:

- drive performance management culture across the Council.
- ownership of the Council Plan.
- adopt a corporate approach to performance, delivery, and improvement.
- ensure all plans and targets (Council Plan and Service Plans) are set at the right level of ambition, are fit for purpose and are consistent with the vision and priorities of the Council.
- responsibility for directorate data quality (and appropriate delegation of responsibility throughout directorate.)
- responsible for approving the work programmes for reporting Council Plan performance to Elected Members.
- verify and sign off quarterly Council Plan performance reports relating to their directorate.
- Approve Council Plan performance targets as part of the annual review.
- review and approve the Service Plans for their Directorate.

10.3 Heads of Service

The Head of Service take a strategic lead and has the overall responsibility for:

- lead a performance management culture within their service area.
- ensure benchmarking information is embedded into performance monitoring and is used to inform target setting and decision making.
- responsible for actively engaging their staff in the performance management process by familiarising them with their Service Plan and Council Plan.
- accountable for ensuring all deadlines are met for performance and risk reporting.
- accountable for the delivery of performance indicators outlined in the Council and Service Plans.

Council Plan

- ensure performance information for the Council Plan is collated and reviewed monthly within the service area.
- take action if a Council Plan measure or project is identified as 'not on track' during the monthly review.
- verify and sign off Council Plan performance reports on a quarterly basis in preparation for reporting to the Leadership Team and Committee.
- agree and implement mitigating actions for all areas of under-performance in the Council Plan.
- ensure performance out turns against the Council Plan is communicated to their teams in a timely manner, following Leadership Team approval, on a quarterly basis.
- to ensure wherever possible a second officer is fully aware of how data is collected for Council Plan performance to provide cover to the data collector if required.
- Undertake and annual review of projects or measures in the Council Plan to confirm they remain fit for purpose and to set the target for the following year.

Service Plan

- responsible for the production and delivery of Service Plans, ensuring they contribute towards the delivery of the priorities and aims outlined in the Council Plan.
- responsible for updating and maintaining the Service Plan.
- responsible for consulting with Managers and officers in their service area on the annual review of the Service Plan.
- responsible for monitoring progress against the Service Plan measures and projects throughout the year and utilising the performance information in 121s and PDRs.

10.4 Managers

- are responsible for actively engaging their staff in the performance management process by familiarising them with their service plan and Council Plan.
- encourage a performance management culture within their service area.
- set, monitor, and progress team and individual objectives through the Personal Development Review (PDR) and work with their team to deliver against the Council and Service Plans.
- manage individual and team performance through effective leadership and coaching and take appropriate action in the event of poor performance.
- provide progress reports back to Heads of Service to ensure the management of performance.
- responsible for ensuring all deadlines are met for quarterly data collection for Council and Service plans.
- Support the Head of Service with the provision of benchmarking information for performance.

10.5 Data Reviewers - Performance

The 'data reviewer' should be either a Head of Service, Manager or Team Leader. They should be separate to the 'data collector' and are responsible for:

- ensuring that adequate, safe systems are maintained.
- ensuring that the performance information provided is accurate, meets the methodology and is delivered to meet performance reporting deadlines.
- agreeing if the indicator is on track or failing target and agreeing any actions needed to improve or sustain performance.
- agreeing any mitigating actions with the Head of Service and progress the delivery of these actions through regular 1-2-1's.
- provide a quarterly performance overview.

10.6 Data Collectors - Performance

Each performance measure and project should have a named officer who is the 'Data Collector' and is responsible for:

- the collecting and inputting of the performance information into the Council Plan performance dashboard and ensuring the exception report is updated to meet performance reporting deadlines.
- ensure the performance update is of the highest quality and accuracy.
- ensure data quality checks are carried out to data which is received from external sources.
- ensure the data is collected in line with working methodologies and deadlines.
- Notify their Manager if unavailable (due to annual leave) to produce the performance data to meet the performance reporting deadlines.
- retain records of data collection should information be required by internal audit.
- informing the 'data reviewer' that the performance data is available for review.

10.7 Corporate Performance and Policy Officer

The Corporate Performance and Policy Officer supports and guides the Chief Executive, Executive Directors, Heads of Service and Officers in delivering the Performance Management Framework by:

- responsible for setting and communicating the work programmes for reporting Council Plan performance to Elected Members.
- supporting and guiding the Executive Directorates in the production of all relevant plans.
- developing and maintaining the Performance Management Framework and supporting Frameworks (Risk Management Framework and Policy Management Framework.)
- coordinating and managing the quarterly performance process and reporting.
- providing expertise to support evidence-based decision making.
- performing an annual data quality audit of a sample of performance indicators to check the robustness of the data collection process.
- highlighting any high-risk areas following the data quality checks to management, on an annual basis.
- informing Executive Directors when deadlines are missed and there is a risk of submitting missing data.
- ensuring all quarterly performance reports are submitted to Committee in a timely manner.
- attend the quarterly Leadership Team meeting and present an oversight of Council Plan performance.
- lead on the annual target setting process for the project and measures outlined in the Council Plan.
- publish quarterly performance information internally and externally.

10.8 All employees

Employees have a responsibility to manage their own performance and to deliver against actions identified as part of their annual Personal Development Review (PDR). Employees have a responsibility to:

- 'flag up' any areas of concern that impact on performance.
- attend Team meetings – these are used as a mechanism to engage employees in two-way feedback on performance.
- involved in the setting of key objectives and targets in the service delivery plan and any personal action plans.
- should always be involved in the review process and recommendations for any changes.

10.9 Internal Audit

- perform an annual audit of a sample of performance indicators and associated data quality using a range of quality assurance checks.
- perform an audit of the performance management framework.

11.0 Performance Reporting and Review

In line with the quarterly monitoring, the Council Plan performance dashboard and exception report(s) will be produced on a quarterly basis and submitted to the appropriate Committee.

There are several review processes which take place at different levels prior to reporting to Committee. These include the following:

11.1 Data Review

The Head of Service is usually the named person responsible for reviewing all performance data at the end of each reporting period.

The Data Reviewer is responsible for:

- agreeing if the indicator is on track or failing the target.
- agree what action(s) need to take place to improve or sustain performance.
- Agree any mitigating actions.

Once the data has been reviewed and accepted the information should be entered into Connect in the [performance reporting section](#).

11.2 Executive Directorate Review

Council Plan performance will be collated monthly, the Heads of Service will provide an update to their Executive Director on progress against the Council Plan and underperforming areas will be identified and actions to improve performance outlined.

Heads of Service will ensure Council Plan performance is approved and inputted into the performance system on a quarterly basis in line with the Council Plan performance reporting schedule, the schedule will be published by the Performance and Policy Officer to all officers involved in the Council plan data collection process in advance of the deadlines.

On a quarterly basis the Performance and Policy Officer will provide the Council Plan Performance Dashboard and Exception Report to the Executive Director. The Executive Director is to review and approve the performance information (via 121s or DMTs – to be determined and organised by the Executive Director.)

11.3 Leadership Team Performance Review

The Leadership Team monitor the 'Health of the Organisation' each quarter, whereby officers present updates around Council Plan and financial performance in addition to sickness data, customer feedback, data protection and health and safety issues. Council Plan Performance information will be approved before submission to the draft agenda deadlines for H&CS, E&DS and F&M Committees.

11.4 Committee Review Process

Elected members will review, and challenge Council Plan performance based on the latest performance dashboard and exception report.

11.5 Annual Review of Council Plan

On an annual basis, the targets for the following financial year for each of the performance measures and projects outlined in the Council Plan will be agreed by the Heads of Service and approved by the Executive Directors and Leadership Team.

12 Managing Risk

The Council's Risk Management Framework outlines the Council's commitment to managing risk in an effective and appropriate manner. It is intended to be used as the framework for the delivery of the Risk Management function and provides guidance to ensure management of risk is a routine process for all services.

13 Internal Audit

The Council's auditors provide internal assurance controls and external validation through an audit process. During these audits, the officer responsible for data collection should be available to provide all supporting information. If that officer is not available, there should be at least one other officer who is able to provide advice and information on their Corporate and Service measures. The audit will require the methodology statements to confirm the definition has been followed, the calculations are correct, and the performance measure is supported by a full audit trail.

The Corporate Performance and Policy Officer will provide assurance to the Council's auditors by carrying out a mini audit on a sample of measures, any high-risk PI's will be highlighted with the Council's auditors annually.

The Performance and Policy Officers monitoring and review process will involve:

- annual meetings with PI originators and Heads of Service to ensure that correct systems and procedures are in place.
- quarterly monitoring and review of key Performance Indicators with the Management Team.
- follow up of any data quality queries from members of staff.
- liaising with internal and external audit regarding and data quality issues they have come across as part of their review / inspection programme.

Internal or External Audit will provide the Performance and Policy Officer with any recommendations following an audit of Corporate Performance. All recommendations will be responded to, and an action plan will be prepared. All recommendations and action plans will be reported to the Audit Sub-committee.

14 Communication

Performance against the Council Plan will be communicated to staff via several different methods:

- Internal notice boards
- Let's Connect
- Connect
- 121s
- PDRs

Council Plan performance will be communicated to residents via the South Derbyshire District Council website.

14.4 Website Page

As part of the process of communicating the framework, the Council's performance website page will be refreshed quarterly. The aim is for the website to provide access to the following tools and resources:

- Performance Infographics
- Performance Management Framework
- Annual Report
- Equality, Diversity and Inclusion Annual Report.

15 Appendices

15.4 Appendix 1 Exception Report

Shape our Environment - *A sustainable future adapting to and mitigating climate change to deliver our net zero commitments so that future generations can thrive.*

Priority: Shape Our Environment			
SE1 Work with partners, key stakeholders and our communities to tackle climate change and strive to become carbon neutral by 2030.			
Measure and Reference		Committee	
Definition		Baseline Data	
Benchmarking Information			
2023-2024 Out turn (Cumulative)		2023-2024 Target	
Performance Overview - Quarterly Update		Actions to improve performance	

15.5 Appendix 2 Methodology Statement

Measure and Reference				
Summary of measure	<i>The purpose of the Performance Indicator is to measure</i>			
Collection interval	Performance will be reported on a monthly / quarterly / bi-annually/ annual basis			
Reporting lag	Data should be captured quickly, be available for the intended use within a reasonable time period and frequently enough to influence decision making processes. Example: The calculation of this PI is to be undertaken within 8 working days of the period end.			
Definition of measure	This indicator is designed to measure - description.			
Return format	Percentage/ number	Planned target over four-year Council Plan	Decimal places	Report to how may decimal places?
Summary of measurement	Worked example of measure if applicable			
Data Collector	Specify who is responsible for data quality and safeguards to ensure accuracy. (Each performance measure should have a named officer who is responsible for the collecting and reporting of the information. The responsibility of the data collector is to input, store, retrieve or otherwise manage data to ensure that it is of the highest quality and accuracy)			

Data Source & Quality Assurance	Specify the data source and methods of collection: (Data must have trusted sources and consistent collection methods so that real changes in performance are reflected rather than variations in collection methods. – confidence level of accuracy – how do we know it is trustworthy and accurate?)	Confidence Level	Level of accuracy (If data is collected via a System the confidence level is green, manual collection for example a spreadsheet is Amber, and project-based measures are red)
Data Reviewer	Specify the person responsible for verifying the data (The data reviewer is responsible for data verification ensuring that adequate, safe systems holding an acceptable standard of information are developed and maintained and that the performance information they provide is accurate, timely and meets the relevant guidance).		
Head of Service	The Head of Service takes a strategic lead and has the overall responsibility for ensuring the performance measures report and performance dashboard are completed within the performance deadlines.		
Strategic Lead			