

PERFORMANCE MANAGEMENT HANDBOOK

What is Organisational Performance Management, and Why do it?

What - A systematic approach for measuring the factors that contribute towards our success as a council.

Why – Once measured, we can use these contributory factors to actively manage performance to achieve success.

It makes it easy for residents and elected members to find out how we spend their money, and how well we deliver services.

The purpose is to ensure we:

- **Plan** our services with a path from the council's Vision, Objectives and Priorities, through service plans to team and individual objectives;
- **Manage and deliver** our services against these plans; and
- **Review and revise** our achievements against these plans in a systematic and effective way, and to update our plans and actions in the light of these reviews.

This handbook, combined with the Performance Management Top Tips Guide for Managers is our Performance Management Framework. It makes up an interrelated suite of policy documents including the Risk Management Handbook and Data Quality Policy.

Malvern Hills District Council's approach to Performance Management

Our **Strategic Objectives** set out the priorities the council is working towards to improve outcomes for residents. This, defined by the Vision, forms the basis of how our performance can be measured, both internally and by the public and stakeholders.

To ensure the council delivers on its promises, the council's **Performance Management Framework** (PMF), explained by this handbook, sets out the arrangements to:

- Decide which activities are priorities, and define how they will be measured;
- Establish detailed plans by which to achieve the agreed outcomes;
- Align resources and finances with the plan;
- Monitor and manage achievements and progress against plans and targets.

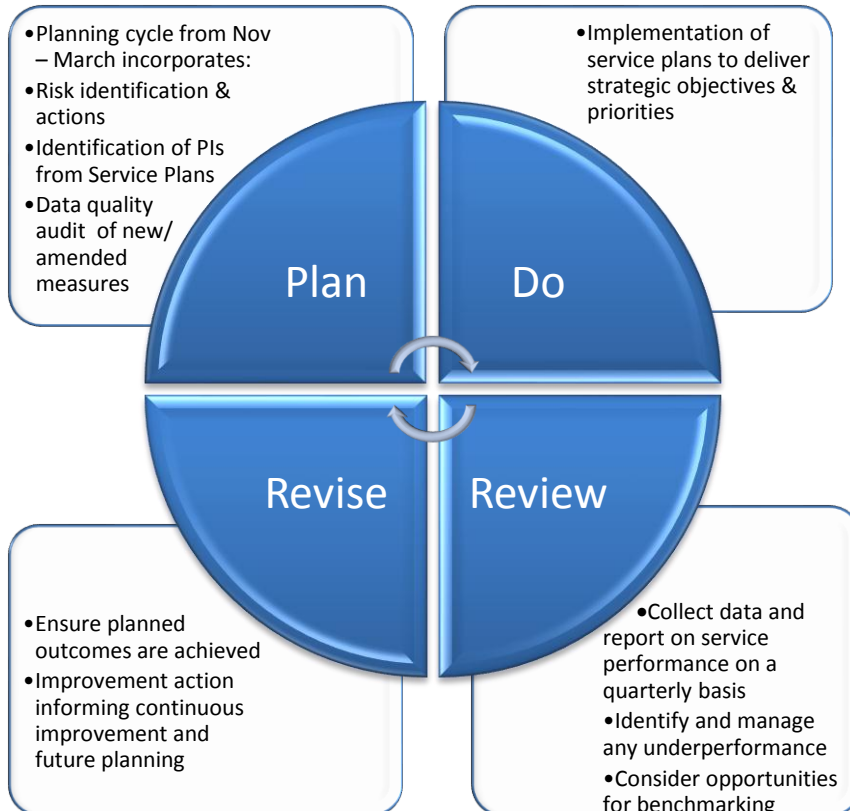
The PMF (see page 2) covers strategic, operational and routine activities, associated risks, financial and resource considerations. It is also relevant to joint working with partners.

The cycle includes a “golden thread” which links the council's priorities, informed by national and local priorities, through to an individual's performance objectives identified through Performance Development Reviews.

The **Annual Planning Cycle** can be seen at [Appendix I](#).

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The Performance Management Framework is made up of four parts; **Plan, Do, Review** and **Revise**. It is reviewed regularly to ensure it is still fit for purpose.



PLAN

Strategic

- Three main corporate plans feed into the annual process of Service Plan development (see Appendix I). These are:
 - **Vision and Strategic Priorities**
 - **Council Business Plan**
 - **Medium Term Financial Plan**

Any service user consultation undertaken, partner agreements or plans, corporate initiatives and/or assessment of previous performance should also feed into the process

Operational service planning/routine activities

- Service Managers, with support from the Performance & Risk team, will devise annual **Service Plans** on an annual basis, which takes account of the corporate/strategic plans and operational requirements.
- The Service Plan must include both **routine tasks** and **key priorities** for the year. Objectives must be linked to the council's objectives, be **SMART** (specific, measurable, achievable, realistic and timely) and be financed through existing resources.
- Identification of objectives will also include an assessment of associated **Risk**, and the drawing up of **Data Quality Proformas**, in line with the related policies.
- A standard template is used to record the plans, and to monitor them throughout the year.
- Service Plan objectives will be built into individual employees' **PDR**, so that all staff understand how their own work contributes to the achievement of the council's objectives.

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DO

- Implementation of Service Plans to deliver strategic objectives and priorities
- Consider opportunities to benchmark performance with other similar organisations

REVIEW

Monitoring/measurement

- As often as is practicable, but at least quarterly, with progress recorded on the Service Plan, and in line with Data Quality Proformas.
- Individual progress will be monitored through monthly one to one meetings as part of the PDR process
- Opportunities for benchmarking should be explored

Performance issues

- An explanation should be provided for any missed targets and, within a 'no blame' culture, underperformance managed

Performance Measures & Data Quality

- The identified data 'owner' for each measure is responsible for producing and verifying all data, in line with the relevant Data Quality Proforma, and in readiness for submission to the Performance team by the second week of quarter end
- If data is available more frequently, services are encouraged to collect and record it on an ongoing basis

Reporting

- Formal quarterly reports on performance against service plans are made to Executive Committee. See page 4.

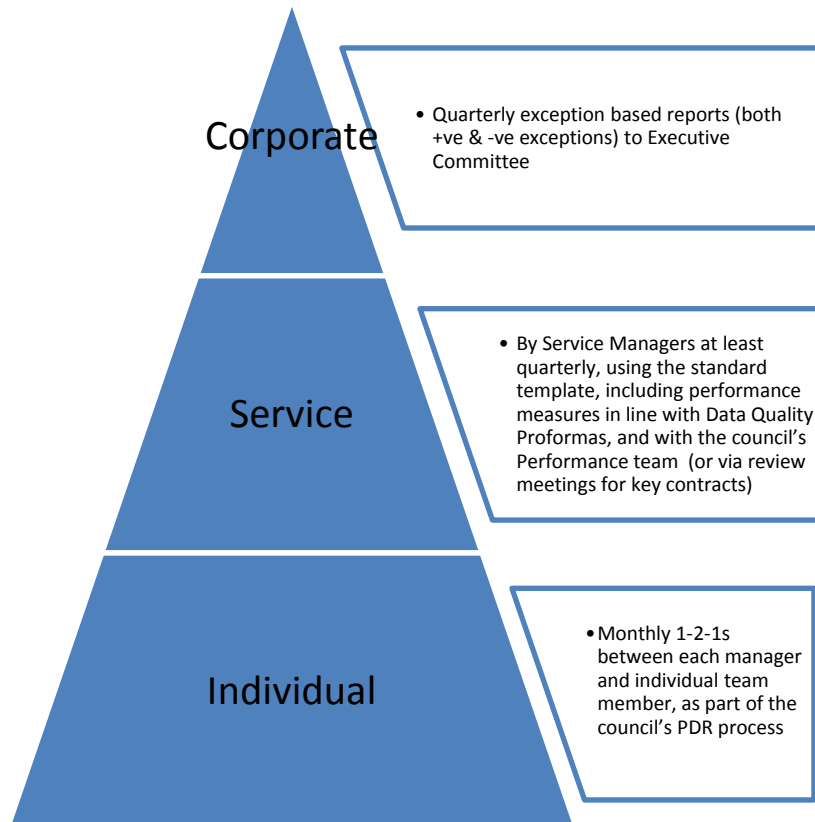
REVISE

- Service Managers take corrective action in response to under-performance – actions and lessons learnt should be fed back into the service planning process to ensure **continuous improvement**
- Any issues identified with performance which cannot be improved by service teams will be escalated to Senior Management Team for consideration
- Performance measures will be reviewed annually to ensure they are still relevant and fit for purpose, including ensuring **Data Quality Proformas** are up to date
- Annual review of **risks** and the success of their management
- Continue proactive approach to improvement by considering new opportunities, including future areas for review, and the delivery of improvement actions

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Reporting Performance at Malvern Hills District Council

There are three levels of performance review and reporting:



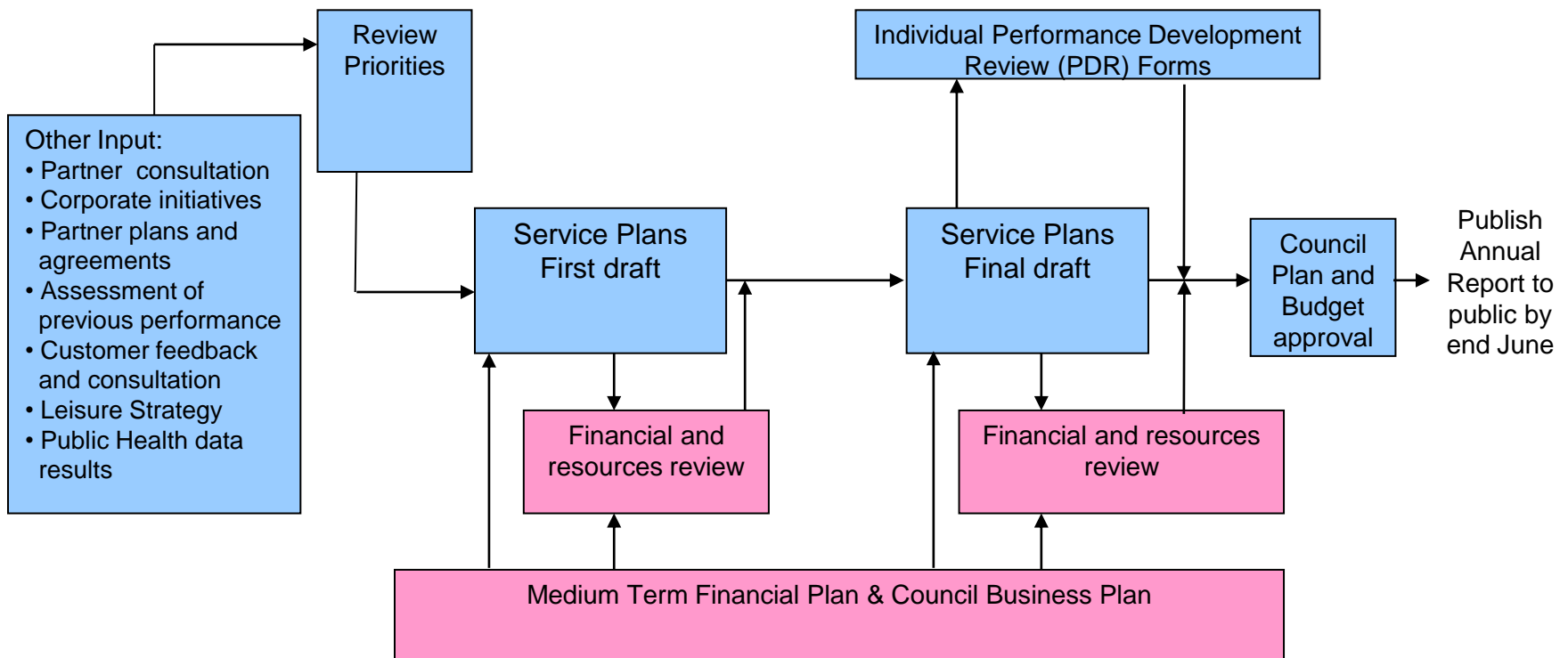
- The Quarterly Performance report to Executive Committee is coordinated centrally by the Resources team, based on the results of quarterly reviews of Service Plans with managers.
- It also provides an opportunity to use 'good news' case studies to illustrate the local impact of our actions, if these effectively demonstrate our performance in context.
- The narrative report is accompanied by the Performance Data Appendix, which details performance against strategic, service level, financial and partner statistical performance measures. **Red**, **Amber** and **Green** (RAG) ratings are used to support easy interpretation of performance data, and direction of travel towards '**Acceptable Performance Levels**' set for measures.

Transparency

- In order to improve transparency and to enable the public to hold us accountable for our performance, the Quarterly Performance Report and the Performance Data Appendix will be published on the council's website in the Executive Committee reports pack and, periodically, on the 'Performance' page.
- Our Annual Report is published on our website looking back at the previous year to provide a summary of our progress against our strategic objectives and other areas of achievement over the year. It also lays out our future plans to build a better future for the district. These plans feed into the next year's planning process.

ANNUAL PLANNING CYCLE

APPENDIX I



| | | | | | | |
|-----------|---------|----------|----------|---------|----------|-------|
| September | October | November | December | January | February | March |
|-----------|---------|----------|----------|---------|----------|-------|

In the following table, performance management responsibilities relates to business as usual, projects, risks and financial performance, in addition to general performance measures and actions, including the maintenance of data quality.

| | | | |
|-----------------------|--|--|--|
| Employees | Resources – Performance & Risk Management team <ul style="list-style-type: none"> • Develop and maintain a corporate approach to performance management, risk and data quality • Co-ordinate corporate performance management and reporting • Provide support and guidance on performance issues for other services • Quality assurance of performance data and processes | Service teams <ul style="list-style-type: none"> • Development of annual Service Plans • Responsible for delivery of performance measures assigned to the team • Define Data Quality requirements for performance measures and apply consistently and rigorously • Use of performance information for operational planning • Champion performance management with their employees and partners • Setting team and individual objectives and measures, which feed into the service plan, through the PDR process • Ensure team members are aware of their performance management responsibilities • Ensure provision of timely performance information to the team • Provision of performance information to the Resources team on a timely basis | All Employees <ul style="list-style-type: none"> • Responsibility for individual performance and implementation of service measures assigned to them through the PDR process |
| Managers | Senior Management Team <ul style="list-style-type: none"> • Strategic responsibility for the delivery of the Strategic Objectives & Priorities • Monitor measures and implement corrective action when/if required • Challenge Service Plans and ensure the strategic vision is reflected • Monitor service performance by exception and make recommendations for improvement | Service Managers <ul style="list-style-type: none"> • Responsible for operational performance and the delivery of Service Plans, including implementation of corrective action as required • Champion performance management within the service area • Ensure members of the service are aware of their performance management responsibilities • Sharing of best practice across the authority • Provision of timely and accurate performance information for the service | |
| Members | Council <ul style="list-style-type: none"> • Approving the council's Strategic Objectives and priorities, and for setting the budget through the MTFP & Council Business Plan | Executive Committee <ul style="list-style-type: none"> • Monitoring corporate performance by exception • Endorse MTFP/ budget & Council Business Plan • Responsible for the performance of their portfolio area | |
| All | <ul style="list-style-type: none"> • Make use of performance information in planning and decision making | | |
| Internal Audit | <ul style="list-style-type: none"> • Undertake a programme of risk-based audits to check and validate performance | | |