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 Priorities** set out the objectives 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 Annual 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.

- Planning cycle from Nov – March incorporates:
- Risk identification & actions
- Identification of PIs from Service Plans
- Data quality audit of new/ amended measures

Plan

Do
- Implementation of service plans to deliver strategic objectives & priorities

Revise
- Ensure planned outcomes are achieved
- Improvement action informing continuous improvement and future planning

Review
- Collect data and report on service performance on a quarterly basis
- Identify and manage any underperformance
- Consider opportunities for benchmarking

PLAN

Strategic

- Four main corporate plans feed into the annual process of Service Plan development (see Appendix I). These are:
    - *Vision and Strategic Priorities (through the Five Year Plan)*
    - *Council Business Plan*
    - *Medium Term Financial Plan*
    - *Five Year Plan*
    - *Leaders'/Portfolio Holders' priorities*

Any service user / resident 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 **Service Plans** on an annual basis, which take 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.

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- Service Plan objectives will be built into individual employees' *Annual Reviews,* so that all staff understand how their own work contributes to the achievement of the council's objectives.
- *Shared services* will develop plans in the format of the host authority, but still taking account of MHDC's strategic plans, with SMART objectives, acceptable performance levels as appropriate, and risk assessment. The MHDC Performance & Risk team will be involved in the development, with plans signed off by the CEO, SMT and relevant Portfolio Holder.

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, including risk status, and in line with Data Quality Proformas.
- Individual progress will be monitored through monthly one to one meetings as part of the Annual Review 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 shared with Overview & Scrutiny Panel and presented to Executive Committee. See page 4.
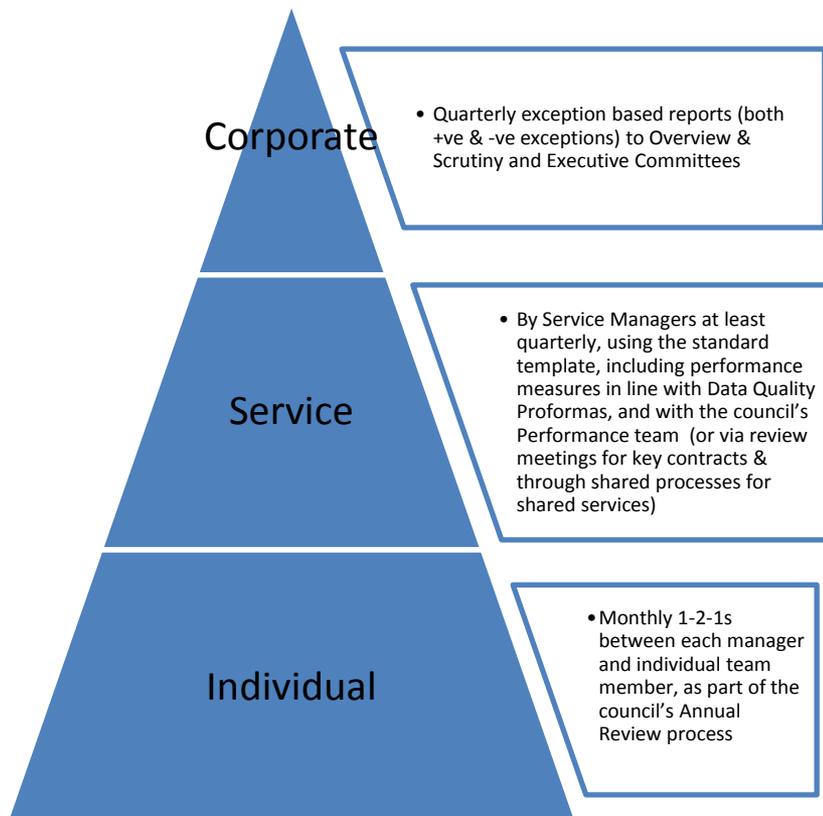
REVISE

- Service Managers take corrective action in response to under-performance, with actions and lessons learnt 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 the 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:

Corporate
- Quarterly exception based reports (both +ve & -ve exceptions) to Overview & Scrutiny and Executive Committees

Service
- By Service Managers at least quarterly, using the standard template, including performance measures in line with Data Quality Proformas, and with the council's Performance team (or via review meetings for key contracts & through shared processes for shared services)

Individual
- Monthly 1-2-1s between each manager and individual team member, as part of the council's Annual Review process
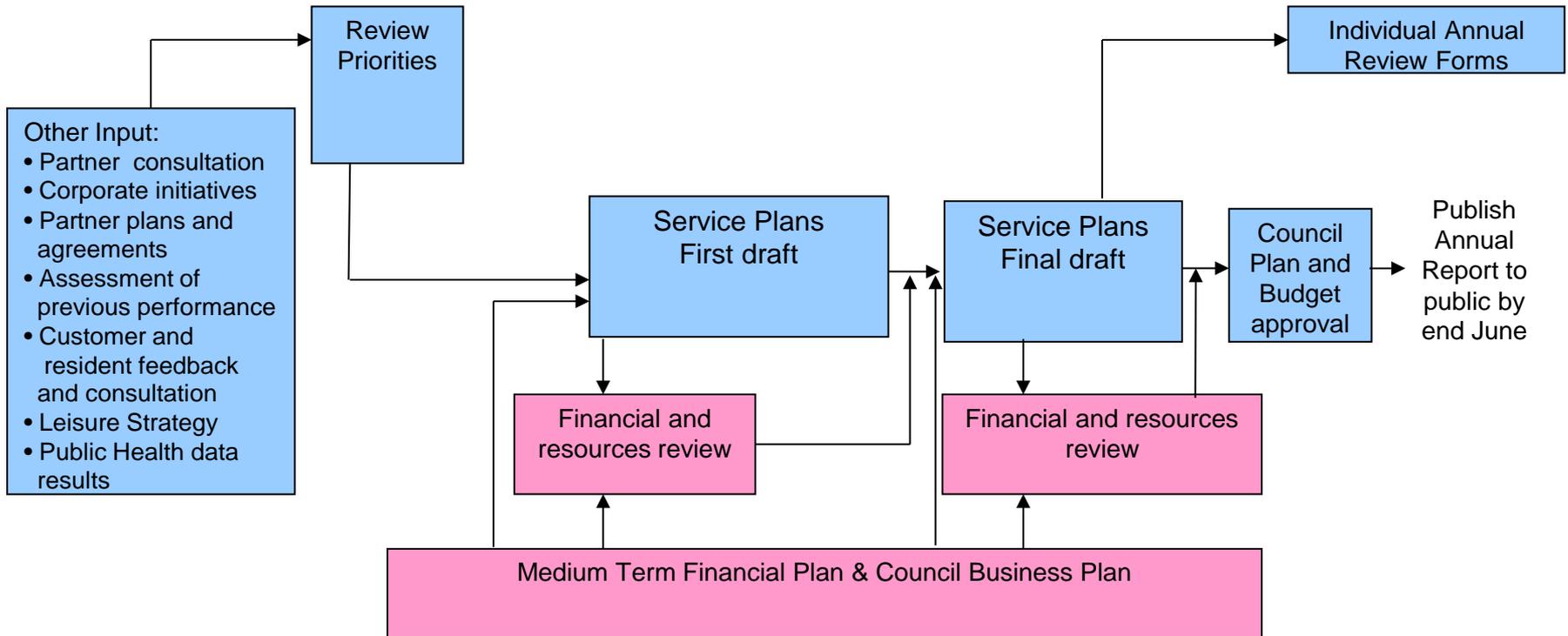
- The Quarterly Performance Report (QPR), presented to Overview & Scrutiny and Executive Committee, is coordinated centrally by the Resources team, based on the results of quarterly reviews of Service Plans with managers and quarterly Service Delivery Plans for shared services hosted by WDC.

- 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 Appendices, which detail performance against the Five Year Plan, 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***' ***(APLs)*** 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 Appendices will be published on the council's website in the Overview & Scrutiny and Executive Committee reports pack and, periodically, on the 'Performance' page.

- The council's Five Year Plan, demonstrating how we will deliver our priorities, is published on the website, with quarterly updates on progress included in the Quarterly Performance Report. It is reviewed, through consultation, annually.

- 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

Flow diagram of the annual planning cycle.

Other Input:
- Partner consultation
- Corporate initiatives
- Partner plans and agreements
- Assessment of previous performance
- Customer and resident feedback and consultation
- Leisure Strategy
- Public Health data results

Review Priorities

Service Plans First draft

Service Plans Final draft

Individual Annual Review Forms

Council Plan and Budget approval

Publish Annual Report to public by end June

Financial and resources review

Financial and resources review

Medium Term Financial Plan & Council Business Plan

September	October	November	December	January	February	March

ROLES & RESPONSIBILITIES – PERFORMANCE MANAGEMENT

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** • 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** • 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 Annual Review process • Ensure team members are aware of their performance management responsibilities • Ensure provision of timely performance information to the team and to the Resources team	**All Employees** • Responsibility for individual performance and implementation of service measures assigned to them through the Annual Review process
Managers	**Senior Management Team** • Strategic responsibility for the delivery of the Strategic Obejctives & Priorities • Support and challenge new Service Plans at a strategic level annually, and ensure the strategic vision is reflected • Monitor measures and implement corrective action when/if required • Monitor service performance by exception and make recommendations for improvement	**Service Managers** • 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** • Approving the council's strategic objectives and priorities, and for setting the budget through the MTFP & Council Business Plan	**Executive Committee** • Monitoring corporate performance by exception • Endorse MTFP/ budget & Council Business Plan • Responsible for the performance of their portfolio area	**Overview & Scrutiny Committee** • Pre-decision monitoring of corporate performance by exception, and to make recommendation to Executive Committee, if necessary
All	• Make use of performance information in planning and decision making		
Shared Services	**Hosted by MHDC** • Manage performance of shared service in line with MHDC Service teams (see above) • Ensure key objectives and risks of shared council are addressed • Share performance information as required, in line with the authority's reporting deadlines	**Hosted by WDC** • Host authority responsible for Service Planning • Consultation with MHDC in service planning process to ensure content and indicators meet MHDC need • Provision of performance information by host authority as requested, in line with MHDC reporting deadlines • Risk included in MHDC Strategic Risk Register re non-hosted shared services	
Internal Audit	• Undertake a programme of risk-based audits to check and validate performance		