



HARLOW COUNCIL PERFORMANCE MANAGEMENT FRAMEWORK

July 2013



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1.0 Definition

Performance management comprises the systems, processes, structures and supporting arrangements established by management to identify, assess, monitor, and respond to performance issues. Performance management allows actions to be taken which will contribute significantly to the achievement of the Council's aim - **to improve Harlow for residents, businesses and visitors**. It is an essential tool in the management of any organisation, whether in the public, private, academic or third sectors.

This framework sets out how the Council will manage its performance from 2013 onwards recognising that there is more to do to ensure that process of performance management is minimised whilst value to the organisation is maximised. Performance management encompasses everything the Council does and is everyone's job. This framework applies to all.

2.0 Context

This Performance Management Framework (PMF) provides an update to the framework developed and agreed three years ago. Since then, a number of government-led initiatives are no longer operating, for example, Corporate Performance Assessment (CPA), Comprehensive Area Assessment (CAA), and Local Area Agreements (LAA). However, the key values from all these assessments remain; all organisations that want to deliver their services consistently and to a high standard should have a robust PMF.

The changes at the national level have meant that the Council has had an opportunity to develop a new, and more meaningful, local performance management framework based on the Council's own aims and objectives. All performance indicators being collected are continually reviewed, and in consultation with services, a revised list of corporate indicators has been agreed. A number of these indicators are included in the Corporate Plan, and are reflected within service plans. Since 2010 there has been continual review of performance management at Harlow Council including:

- Annual service planning and target setting arrangements have been improved. This has helped the Council to better align performance to corporate priorities, set SMART (specific, measurable, achievable, realistic, timely) targets, risk manage, and work across services to achieve objectives.
- Reporting of performance, finance, milestone and risk monitoring has been integrated into a combined report for senior managers (Corporate Management Team/ Heads of Service) and Cabinet.
- The number of performance indicators has been substantially reduced from 116 in 2009/10 to just 71 in 2012/13. This includes the removal of performance indicators which had a direct cost or unreasonable resource requirement on the Council.
- The publication of performance information has been improved to meet level three standards for the Government's 'five star scheme' for the reuse of open public data.
- Annual audits of risk management arrangements have been established which have helped identify areas of weakness and have helped the implementation of improvements.

- The Council's Performance Plus performance management system has been tailored to be more user-friendly and more efficient for Performance Link Officers.

3.0 Purpose and aim of the policy

Effective performance and risk management will help to:

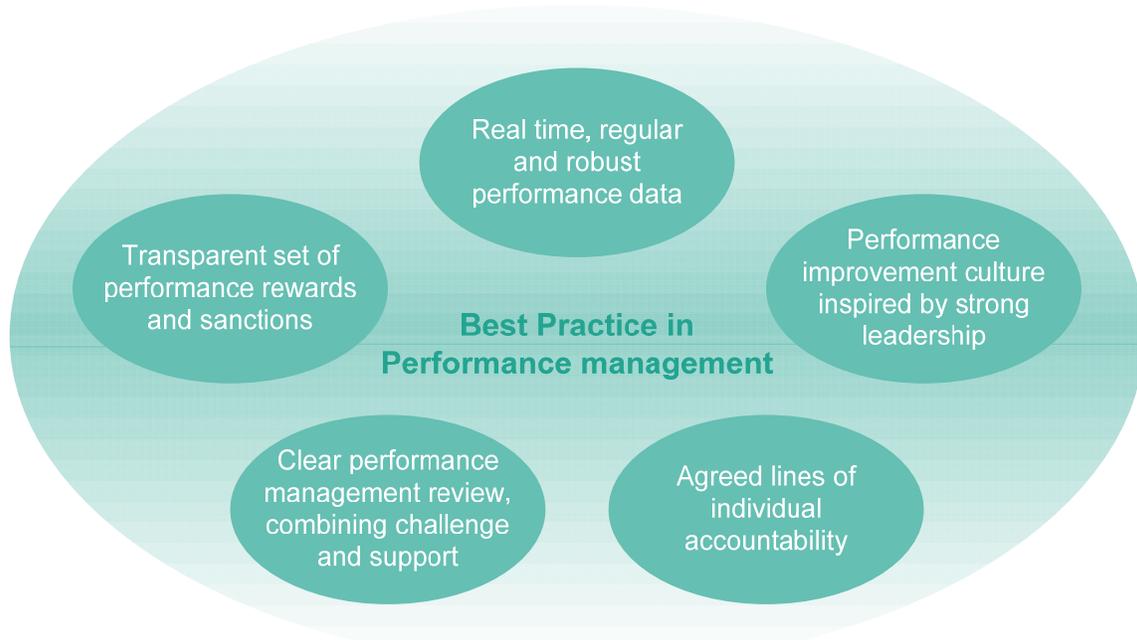
- Ensure corporate objectives are prioritised and that resources are allocated effectively.
- Improve services and outcomes for local people.
- Motivate staff by ensuring that individuals are aware of their own targets and goals and how these contribute to achieving the Council's vision.
- Ensure that significant risks to the achievement of objectives are identified and managed.
- Provide early warning of, and rectification of, poor performance.
- Ensure the Council and its partners achieve what we have set out to do.
- Provide a strong evidence base for improved decision making and the efficient use of resources.

4.0 Policy Statement

Harlow Council aims to operate a performance and risk management system where everyone knows what needs to be achieved, what is required of them and when, what is measured and managed, and what progress is being made.

The Council's resources must be aligned, focusing effort in the right places and delivering maximum value for the people of Harlow. The Council must proactively manage any risks that might affect delivery, regularly reviewing progress and taking action to stay on target.

To help achieve its aims the Council will strive to ensure that the following characteristics, which have been found to be important in high performing organisations, are embedded across the Council:



5.0 Framework for Performance Management and Improvement (Plan, Do, Review)

The effective management of the Council relies upon having good information on which to base decisions. This information helps inform decisions to allow the Council to deliver services efficiently and effectively. This Framework shows the Council's approach to strategic performance management and improvement. It follows the approach of a 'plan' 'do' 'review' cycle.

PLAN

Stage 1: What we do?

The Council's Corporate Plan identifies the Council's vision and strategic direction. Priorities within the Plan reflect the local context and decisions on service delivery and priorities for the future. The Plan takes account of commitments to the work around Community Wellbeing. The Council's financial plans demonstrate how Corporate Plan priorities will be delivered at an operational level and include specific actions against which the Council assesses its progress. Supporting the delivery of the Council's objectives represents a robust approach to risk management.

Stage 2: How do we engage?

Effective leadership and engagement are important to ensure an understanding of what the Council is aiming to achieve. It allows the Council to take account of views and opinions to inform future direction. Both officers and councillors require to be equipped to effectively engage in dialogue with the community through the Communications and Community Engagement Strategy; and with employees, e.g. through the Staff Survey. Feedback from communication and consultation are considered and reflected in future service planning.

DO

Stage 3: How do we deliver?

In order to ensure successful delivery of the Council's vision and priorities, there is a range of methods used to enable us to manage our performance. These include use of the Council's Performance Management System, and Service Planning Database used to manage performance in respect of the Council Corporate Plan and individual Personal Performance Plans. Other examples are use of benchmarking tools such as 'LG Inform' to enable comparison with similar authorities, and use of service standards for the Council, its partners and contracts which set targets to deliver services to our customers.

Stage 4: Who delivers?

We will make use of our People Resource Plan to effectively plan and manage our current and future workforce requirements, and we work with our partners to achieve better outcomes for local people and the Council's corporate priorities.

REVIEW

Stage 5: How did we perform?

We assess our performance continually throughout the year making use of both measures/targets and customer satisfaction results. This information comes from our performance management tools, including benchmarking results/analysis. We collate both internal and external assessment of our achievements which enables us to provide assurance to stakeholders.

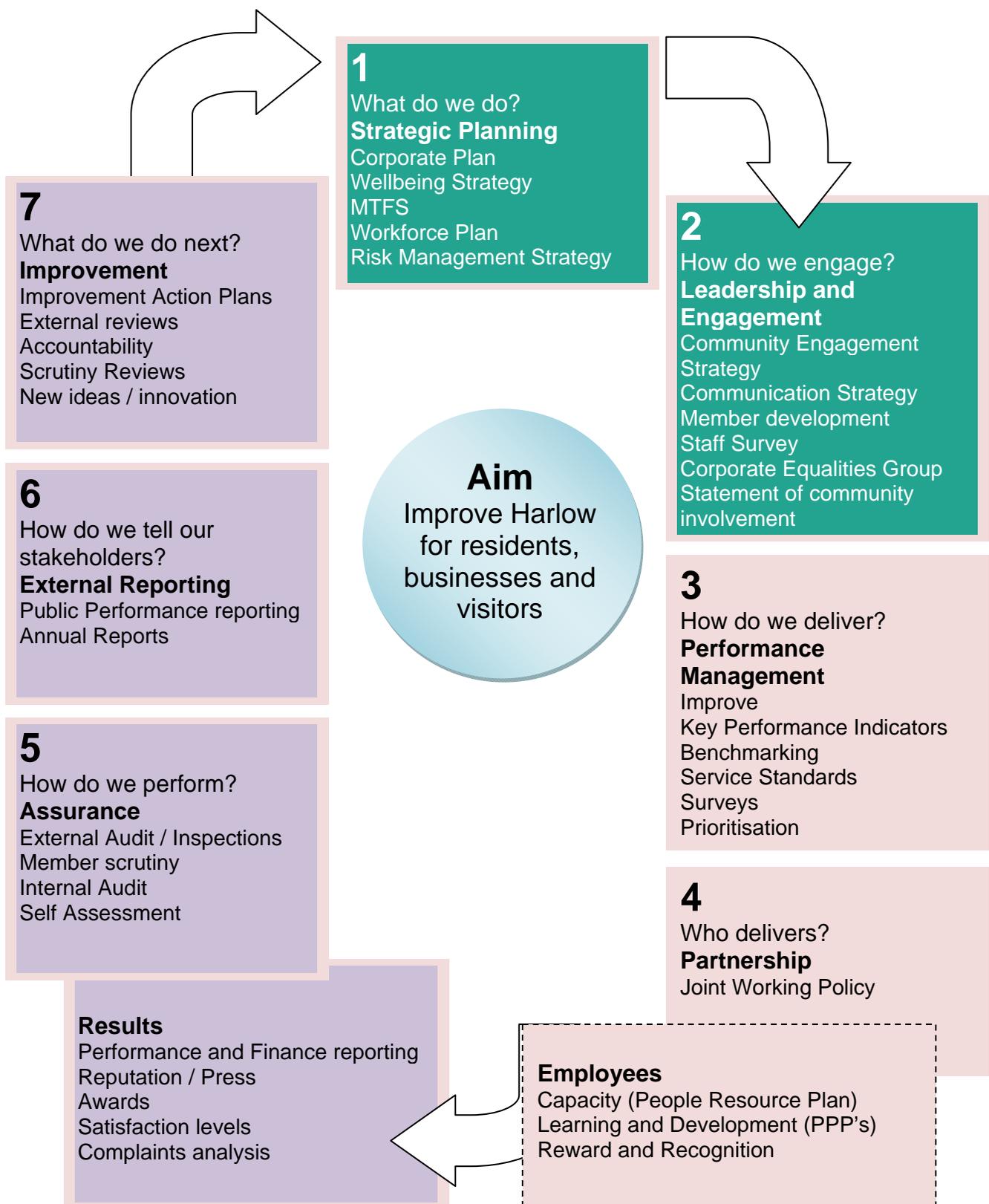
Stage 6: How do we tell our stakeholders?

A wide range of performance information is currently made available through committee reports and the Council's website. The preparation of an Annual Performance Report reflecting performance from 2013/14 will further enhance our approach.

Stage 7: What do we do next?

The Council will continue with its proactive approach to improvement by considering new opportunities including future areas for review and the delivery of improvement action plans.

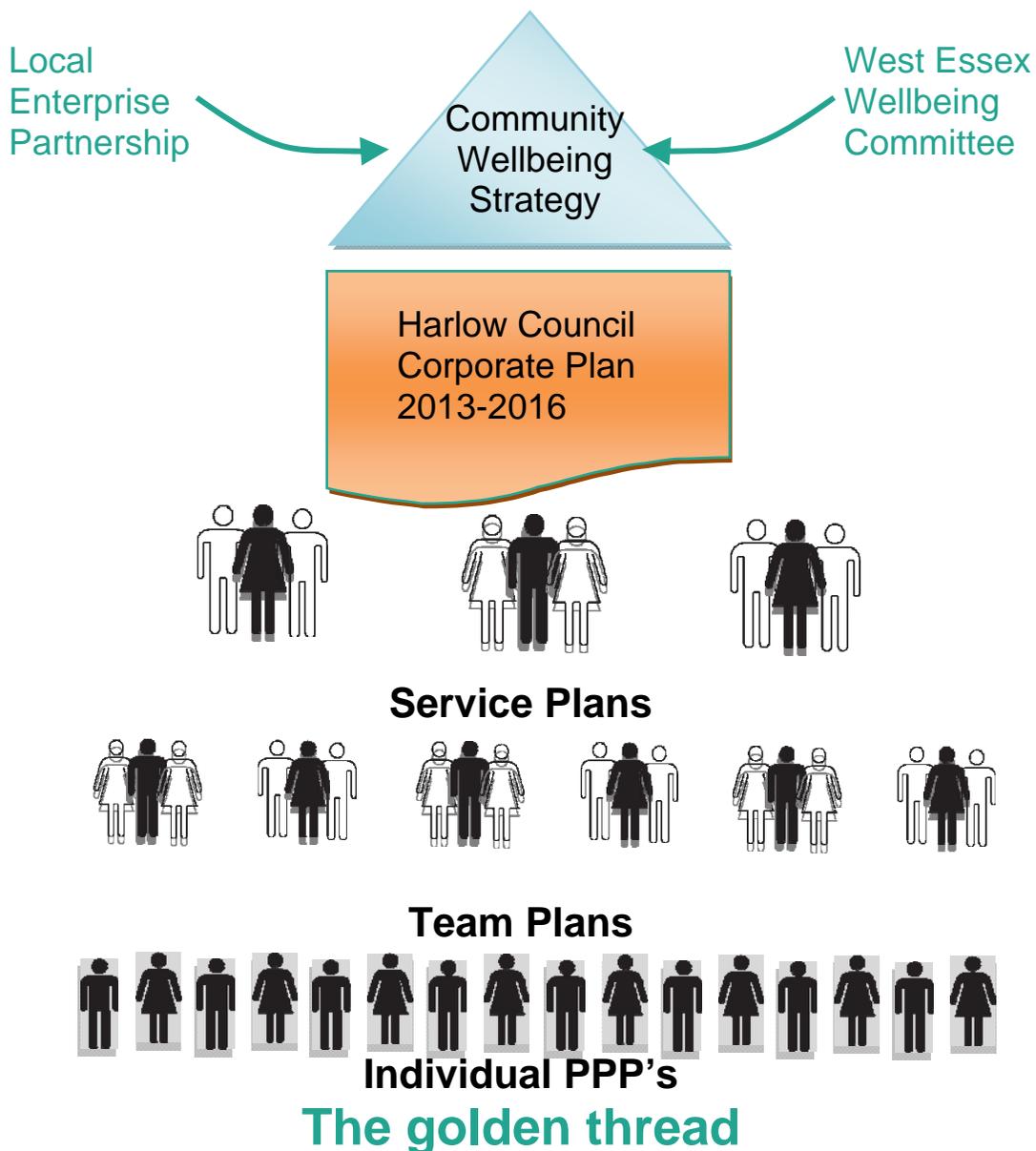
The Plan, Do, Review Cycle illustration below demonstrates the seven stages used to improve performance. The Cycle aims to promote continuous improvement emphasising iterating towards an ever improved system.



6.0 Business Planning

Business planning forms a fundamental part of the management of a successful organisation. Harlow Council's service planning framework sits within a wider planning hierarchy. This has the Community Wellbeing Strategy at the top focusing on a partnership wide vision for Harlow in the medium to long term. The Council's Corporate Plan focuses on how the Council will deliver its contribution to the Community Wellbeing Strategy and deliver the Council's priorities while Service Plans show how services will deliver the Corporate Plan and any service priorities.

Sitting beneath the Service Plan is the team or unit plan and below these the Personal Performance Plans for each employee. The links between the plans form the "golden thread" that ensures that everyone in the organisation is working towards the same goals and that priorities will be achieved. The diagram below shows the district's planning hierarchy.



7.0 Working with partners

In order to achieve the overall vision for Harlow, the Council must also work effectively with its partners, properly considering partnership working when devising its plans and applying the same standards of performance management when trying to achieve shared outcomes:

The Council's policy on Joint Working sets out that the Council's objectives for joint working are:

1. To achieve improved economy and efficiency
2. To improve the outcomes achieved for the individuals and communities served.
3. To increase the recognition of the needs and requirements of communities
4. To influence the prioritisation, objectives, resource allocations and performance of others
5. Improve the speed and extent of learning throughout the organisations involved.
6. To make things possible that would not be possible if the Council worked alone.
7. To change perceptions about Harlow, its communities and the Council.
8. To ensure that the Council continues to be challenged and evolve as an innovative organisation.

The Council undertakes regular reviews of its partnerships to ascertain:

1. Whether or not existing joint working should continue.
2. How existing joint working can be improved.
3. Whether existing joint working needs to be put onto a different footing in governance terms.
4. Whether new joint working initiatives need to be pursued.

To help the Council evaluate the effectiveness of its partnership working; performance management arrangements are put in place relevant and proportionate to the nature of the activities of each partnership. This ranges from the provision of a simple annual report to detailed Balanced Scorecards containing SMART (specific, measurable, achievable, realistic, timely) performance indicators against which performance is measured on a regular basis.

8.0 The Performance Cycle – Quarterly Reporting

All elements of the Council's PMF are built around the annual performance cycle as represented in the diagram below. Performance is managed through a cyclical arrangement to ensure continuous improvement. The Council reviews performance four times per year within the Joint Finance and Performance Report. This includes tracking progress from the previous quarter; celebrating the achievement of targets and identifying necessary improvements and actions.



9.0 Roles and Responsibilities

Performance management is the responsibility of everyone in the Council. The diagram below provides a summary of the key roles and responsibilities of Officers and councillors. As set out in one of the ten non-negotiables (page 11), all managers must recognise that effective performance management is their responsibility. However, the Council does have some key governance groups in relation to managing performance and improvement, with particular responsibility for ensuring corporate compliance with particular elements of this framework:

Councillors	<p>Full Council</p> <ul style="list-style-type: none"> Approve the Corporate Plan and budget <p>Cabinet</p> <ul style="list-style-type: none"> Formulate the Council's priorities Monitor and respond to performance data Agree service standards and challenge performance of all services. 	<p>Audit and Standards</p> <ul style="list-style-type: none"> Scrutinise the Council's performance in relation to risk management Hold the Cabinet to account Challenging the actions of the Senior Management Team and Cabinet in managing risk. 	<p>Scrutiny</p> <ul style="list-style-type: none"> Undertake specific reviews of any identified performance issues which can be undertaken through the Council's arrangements for scrutiny.
Senior Managers	<p>Corporate Management Team</p> <ul style="list-style-type: none"> Strategic responsibility for delivery of the Council's priorities, including monitoring performance Deliver the Financial Strategy and detailed efficiencies Sign off Service Plans, take a view on service underperformance and manage the Corporate Plan. 	<p>Heads of Service</p> <ul style="list-style-type: none"> Deliver service plans and monitor operational performance Contribute to the Council's corporate priorities and objectives Monitor service budgets and implement efficiencies 	<p>Managers</p> <ul style="list-style-type: none"> Deliver team plans Support staff to deliver their objectives and manage staff performance Maintain service budget and implement efficiencies
Staff	<p>Policy & Performance Team</p> <ul style="list-style-type: none"> Oversee performance management framework Corporate performance reporting Manage the corporate performance management software 	<p>Data Owners (PLO's)</p> <ul style="list-style-type: none"> Provide data in accordance with the Data Quality Strategy Raise specific issues regarding performance with data owners / managers 	<p>All Staff</p> <ul style="list-style-type: none"> Deliver individual objectives Responsible for personal development and performance Understand how work contributes to Council's priorities and objectives

10.0 The Council's 10 non negotiables

1. Start with the context of where the Council is going and support it with clearly identified needs which demonstrate why we are providing the services we provide.
2. A vision is a simple, understandable description of the future – it should provide both movement and direction for shaping the culture, processes and structure of the organisation.
3. All objectives are SMART (specific, measurable, achievable, realistic, timely) and stretching. We have linked objectives through Service Plans, and Team Plans through to individual PPPs objectives which identify clear ownership and accountability of each item.
4. Objectives reflect agreed budgets profiled across the year, and budget holders monitor their budgets closely providing forecasts and flagging up any potential issues as appropriate.
5. The Council has an up to date risk register which details the significant risks to the achievement of its objectives and measures it can take to reduce or mitigate these risks.
6. The Council has plans in place covering all significant contracts, projects, programmes and partnerships.
7. The Council has robust systems and processes in place to monitor and report performance against plans, and risks and this is shared corporately.
8. Benchmarking should be used throughout the service planning cycle:
 - Need** – identify areas that are weaker than others.
 - Objectives** – targets based on “what good looks like.”
 - Plans** – identifying best practice.
 - Review** – comparing performance to others and national trend.
9. Periodically adjust plans for any emerging issue, significant actions agreed during reviews of performance, and results of benchmarking – plans should be living documents.
10. Managers at all levels recognise that the effective management of people, finance and risk is critical to effective performance management and is their responsibility.



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11.0 Financial Management

A crucial thread in the service planning cycle is financial management – planning how to allocate resources, understating what you can afford to do, managing your budget and managing your cost and income risks:

Financial management



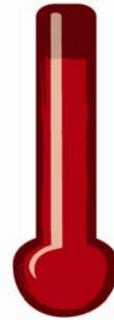
1 Your accountant is there to help you manage your budget, provide financial advice and find solutions. Get to know them and talk to them before starting any major projects or spend.



2 Finance only exists to help deliver services and safeguard the resources of the council. Part of this reflects the statutory nature of the finance role, so sometimes you will be challenged on your spend and approach.



3 Own your budget. Understand your budget. Have robust performance systems and processes, with targets and benchmarking.



4 Don't commit unless you have the funding. Spend within your budget.



5 Be aware of and manage your risks.



6 Comply with financial regulations/ procurement rules



7 Remember confidentiality of financial information, especially staffing.



8 Know your cost drivers, so you understand what you have to influence to manage your budget.

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12.0 Performance monitoring and reporting

Monitoring and regularly reporting on performance is essential for ensuring that the Council's priorities are being achieved and that the information informs decision-making and future plans.

The Council monitors a set of key Corporate Performance Indicators, which include indicators from the Corporate Plan and Service Plans. Together with robust analysis that helps explain the data, these are reported quarterly to the Corporate Management Team (CMT) and Cabinet in the Council's *Joint Finance and Performance Report*.

At the service level there are a number of monitoring and reporting mechanisms in place to meet the needs of those services. Performance is typically monitored through performance review meetings for key contracts, team meetings and service specific performance indicators.

Appendix A: Ways in which the Council Delivers its Performance Management Framework

1. Transparency and accountability

Since the inception of the Coalition Government in 2010, local authorities have been encouraged to make more information publically available that is both useful and timely, so that local services can be held to account. This was reiterated in the recently published Code of Recommended Practice for Local Authorities on Data Transparency, which outlines three key principles when publishing data:

- Responding to public demand.
- Releasing data in open formats available for re-use.
- The releasing of data in a timely way.

The Council makes performance information available on its website. The reports include a complete list of the Council's Performance Indicators which currently meets a three star standard for open public data¹. This enables residents and other stakeholders to assess the Council's performance. A new set of reports is added to the website on a quarterly basis, in line with the Council's Corporate Performance Reporting cycle. This ensures the most up to date performance information is publically available.

In addition, further information about Harlow, including local statistics covering a range of contextual areas, can be found on the Council's website www.harlow.gov.uk

2. Benchmarking

Benchmarking is conducted to compare the Council's performance and costs of services to those of other local authorities, to identify the high, average and low levels of performance and expenditure across the group of councils and where Harlow ranks amongst its comparators. Often, benchmarking is carried out against a statistically similar 'nearest neighbours', geographical neighbours, or indeed, all authorities in England.

Historically benchmarking results have not only identified the Council services and functions that provide good and bad Value for Money, but also identified comparable councils offering better Value for Money so that we can learn from them. This can be used to make decisions, achieve greater efficiencies and shape future budgets accordingly. Looking ahead the [LG Inform](#) benchmarking tool will be the Council's core data source for benchmarking.

¹ Open Public Data Standards are measured on a scale of one to five stars. For more information see the Government White Paper on [Open Data](#).

3. Complaints Management

Public participation is encouraged at all stages of the performance management cycle. The Council particularly welcomes all feedback from service users and residents– both positive and negative. Complaints are taken seriously and clear processes are in place for managing them. They provide a simple way for users and residents to voice concerns about services, and give valuable feedback on how the Council is performing. By effectively resolving complaints, services can be improved.

As part of the Customer Services improvement programme, a new Customer Relationship Management (CRM) system was introduced to assist the Council to deliver a quicker and better quality of service to its customers in 2012. The new system improves work processes across all service areas. This ensures that the Council provides a more joined up service to the customer. The system allows staff access to customer information so they are able to answer queries across service areas.

Complaints data is reported quarterly within the *Joint Finance and Performance Report*.

4. Audit and inspection

4A. External Audit

With the abolition of the national performance framework and the series of external audit and inspections that were included as part of this, Councils have been encouraged to self-regulate, improve through self-assessments and conduct peer reviews.

The Council's external auditors, Ernst and Young continue to undertake an annual assessment of the Council's use of resources. Ernst and Young will annually provide their opinion on whether the Council has 'proper arrangements for securing financial resilience' and that it is working towards 'securing economy, efficiency and effectiveness' in its operations.

4B. Internal Audit

The Internal Audit function is vital in providing an independent and objective assurance of the Council's governance arrangements. Internal Audit provide an opinion on whether the Council's policies, processes and procedures are in place across the organisation to ensure the Council's risk management, governance and internal control processes are operating effectively. From 2013 the Council has developed a Quality and Assurance Improvement Programme (QAIP). This reflects the new requirement for an independent external assessment of internal audit to be performed every five years. Identified actions and improvements from these reviews will then form the basis for improving internal audit through the use of peer reviews.

4C. Code of Corporate Governance and Internal Audit Plan – The Code of Corporate Governance has six core principles of corporate governance as identified by the

Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives and Senior Managers (SOLACE) (2012). The Audit Plan sets out the audit activity planned for the coming year.

4D. Anti-Fraud and Corruption Strategy – This outlines the Council's approach and commitment to Anti Fraud and Corruption activity. The Strategy document embodies a series of measures designed to frustrate any attempted fraudulent or corrupt act and the steps to be taken if such an act occurs.

4E. Annual Governance Statement - The Annual Governance Statement is a statutory document which explains the processes and procedures in place to enable the Council to carry out its functions effectively. The statement is produced following a review of the Council's governance arrangements and includes an action plan to address any significant governance issues identified.

5. Data collection and quality

The Council's Data Quality Strategy outlines the approach to improving data quality across the Council. Robust and timely data is essential to inform decision making and identify where performance needs to be improved. The Data Quality Strategy outlines the steps necessary to produce robust and reliable performance information. It explains the need for adequate controls over the input of data and data verification. The Strategy also gives guidance on maintaining quality systems and of improvement and risk assessment.

Data requirements should be designed along the principle of 'getting it right first time' in order to avoid wasting time and money spent on cleansing data, interfacing between different information systems, matching and consolidating data from multiple databases, and maintaining outdated systems.

The Audit Commission has provided six key characteristics of good data quality which are adopted by Harlow Council:

- **Accuracy:** Data should be sufficiently accurate for their intended purposes. It should be captured once only, although the data may have multiple uses. Reported information that is based on accurate data provides a fair picture of performance and should enable informed decision making
- **Validity:** Data should be recorded and input within the necessary format required. This ensures consistency of reporting. Where 'proxy' data are used to compensate for an absence of actual data, bodies must consider how well these data are able to satisfy the intended purpose.
- **Reliability:** Managers and stakeholders should be entirely confident that data is reflecting real changes rather than variations in data collection approaches and methods

- **Timeliness:** Data should be captured as quickly as possible after the event or activity and must be available for the intended use within a reasonable time period.
- **Relevance:** Data captured should be relevant to the purposes for which they are used. This entails periodic review of requirements to reflect changing needs.
- **Completeness:** Information is extracted regularly and efficiently and communicated quickly

6. Risk management

Risk management has a strong link to performance management – if risks are not managed effectively then it is unlikely that a Council will deliver its ambitions and achieve value for money.

The Council has agreed a risk management strategy which sets out the Council's approach to risk management both internally and within the wider environment in which the Council operates.

Risk information is used as part of performance management and reported alongside financial and risk information within the Joint Finance and Performance Report. The risk section of the report highlights the key financial and operational risks faced by the Council and provides information about whether the risk is being successfully mitigated.

Service plans include a risk assessment of delivering the objectives following the risk management strategy. This means that risks are considered at the outset, and mitigation can be built into the plans to deliver service plan objectives.

7. Project and Programme Management

Project management is a critical aspect of the performance management framework. It is a key tool to ensure projects involving funds and staff resources are delivered on time and efficiently.

The ability to consistently deliver projects in this way is a key measure of effectiveness.

Harlow Council has developed a process which includes having resources available to support staff managing projects. A Project Support Group of staff and managers representing key areas of the Council was set up in 2012 to take a strategic role in further developing project management across the Council. From 2013 it was agreed that the process will be governed through the Council's Service Planning Database with Heads of Service acting as project sponsors and holding project managers to account.

Project management is linked to service planning in that service plans must identify how objectives or actions are delivered and any likely project management implications (i.e. managing the delivery of objectives through the project methodology).

8. Capital Resource allocation

The Council's capital resources (funding) are allocated after appraisal by the Non-Housing Programme and Project Management Group (NHCP PPMG) of capital bids set out within a business case. The business case must be aligned with the Corporate Plan and must include justification for expenditure along with any resulting revenue savings and performance improvements.

All bids are submitted in line with the Council's normal budget preparation timetable. CMT HoS are responsible for validating all NHCP business cases prior to project commencement and release of capital project funding.

9. Customer Insight

The Corporate Plan sets out priorities for the next three to five years. It comes into effect in April and is reviewed in the autumn incorporating annual community consultation into its development. Consultation and engagement via Essex County Council's Tracker Survey is undertaken during the spring of each year and the outcomes fed into the process of setting priorities.

A mid-year review of service and team plans is undertaken in October each year through a Service Planning Marketplace.

Planning for the following year starts around January each year through a Service Planning Marketplace and runs through to the end of March after the Annual Budget has been set. Service and Team plans clearly set out the detail of how the Council is going to achieve its priorities, by when and the resources that are needed. Service and Team Planning is an essential tool to enable the Council to plan for its priorities and to show how the delivery of those priorities can be maximised.

10. Medium Term Financial Strategy (MTFS)

This document sets out a financial framework for using Council finances to deliver the Council's Priorities over the next five years. Financial planning is part of the Council's integrated planning process and is considered in relation to the Corporate Plan and service plans. In line with best practice in this area, the Council's financial planning system should:

- Help Members determine priorities and their timing
- Forecast changes in demand for services
- Show the impact of changes in legislation on spending
- Show the future costs of alternative policies
- Align demand with available resources
- Provide the framework for service plans
- Respond to and reflect Government funding proposals

Budgets are set in line with Medium Term Financial Strategy (MTFS) and corporate priorities.