

APPENDIX 1



Draft Performance Management Strategy- October 2008

Corporate Performance Team-V3.0

1. **Background**

There is a need to rationalise the Council's expectation regarding performance monitoring and move to a consistent approach to performance management and for Members to receive accessible and relevant information regarding the council's overall performance and progress. Currently there are many demands placed on Heads of Service and senior managers to provide information regarding performance. This strategy and framework seeks to reduce the overall burden whilst achieving consistency in terms of the reporting processes.

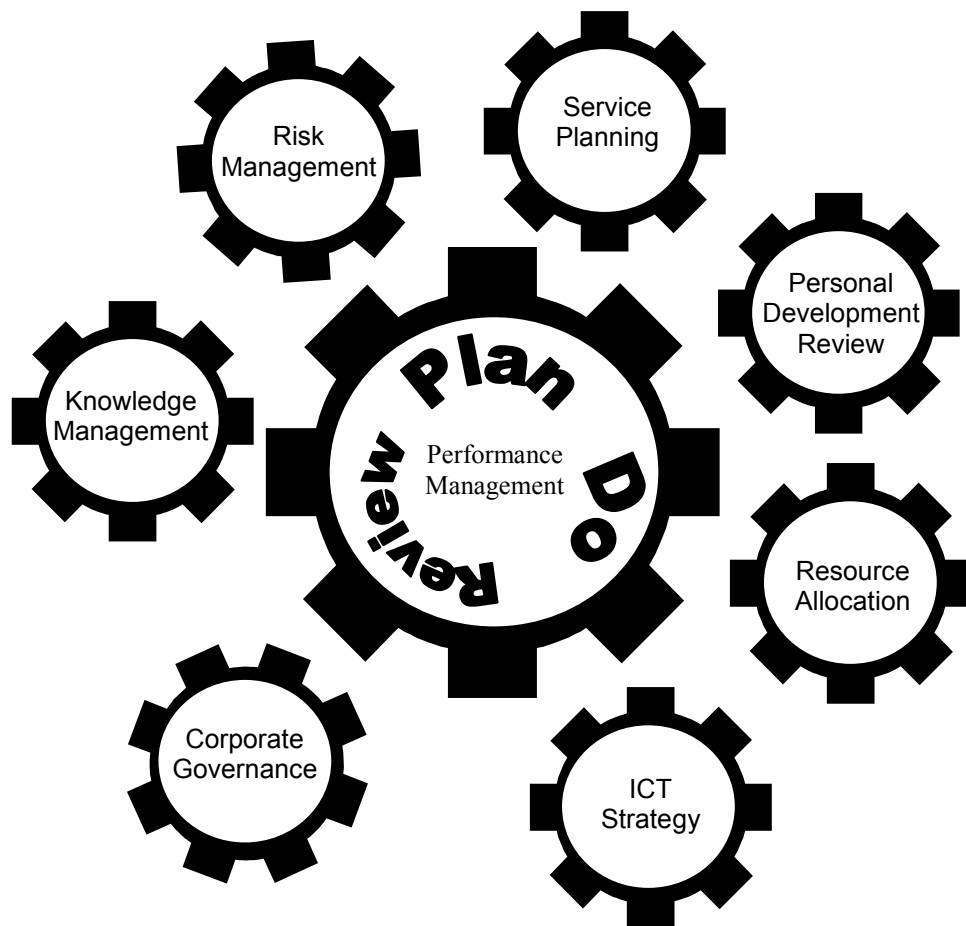
2. **Defining Performance Management**

What does performance management actually mean?

Simply, it's **everything an organisation does to achieve its aims and objectives**. Specifically, it is:

- What we do to maintain and improve service delivery
- How we monitor performance against targets
- Effective budget planning to ensure resources are in place to deliver priorities
- About developing effective corporate management and political leadership and responsibility

It is often described as a cycle of **Plan-Do-Review** using other key management processes as important capacity building blocks that underpin performance management and also acting as drivers to continuous improvement.



3. Why do it?

Because as a major provider of public services we have a duty to the Island community to provide high quality, value for money, cost effective services that meet identified need.

There are also real positive benefits to performance management which should not be overlooked. Organisations, especially high-performing local authorities, with effective business and performance management processes:

- Understand clearly their priorities what they plan to do, why, how and when
- Understand how they currently perform against the best in the country
- Understand how service performance is changing and why, with the ability to respond to changing circumstances
- Plan to improve further, and understand the impact on services and resources
- Deliver real and sustained change

4. Principles of the Performance Management Strategy

The Performance Management Strategy must have principles by which it will be understood and delivered. These arrangements provide a framework under which performance management becomes an integral part of everything we do. It is a transparent framework where the relationship

between performance data and service improvement are clear and where measurement of performance is readily understood to be the method for determining how well the organisation is meeting its strategic objectives.

A criticism of performance measurement is that it can be onerous for staff and partners to prepare performance information that may detract from providing the service. One of the principles of this Strategy is to **reduce the burden of data collection and submission rather than add to it.**

Regular production of information and well established procedures for keeping supporting information can save time in the longer term. Although creating the systems to do this may require some investment of time, there should be time savings in the longer term. More importantly regular monitoring of performance facilitates the early identification of issues and implementation of solutions before problems have built up.

All staff should where possible, **seek electronic solutions to the production of data**, either through CorVu or existing or future procurement of software, rather than have paper based systems. This will reduce the burden and embed performance management within the culture of the organisation.

An understanding of the Performance Management Strategy and Framework aids the understanding of the 'golden thread' running through the organisation. The use of performance charts within some services already exists and serves as a good motivator for staff to see how their day to day work impacts on the monthly or quarterly statistics. The use of performance targets within the appraisal process and the alignment of service plans to strategic objectives and the sharing of those plans within the service will strengthen understanding.

Performance data should serve a range of purposes and be relevant. Government returns often require performance data and this should inform how local indicators are developed. The end need for such data should determine what information is produced and what may be discontinued. Regular internal reporting should ease government reporting in that information will routinely be at hand with the implementation of CorVu and this Strategy. Business Process Re-engineering is crucial to this principle through this change process of the Council. Regular audits should take place of what each service produces in the way of performance information and its use, and may result in some tasks not needing to be performed. It may be that the Council is routinely producing out-dated performance information and no longer needs to do so.

The Local Government White Paper (October 2006) sets out a new performance framework which stated there will be a single set of about 200 outcome based indicators instead of the many hundreds required currently. This will have a major impact on the council in the way it collects, stores and reports performance.

It should be known by services what **outcomes are required** when setting up processes to collect data, and to collect data which helps to know **what success looks like.**

5. Aims of the Strategy

Adopt an effective and fully integrated performance management framework

An essential part of an effective performance management framework is to have an accurate, transparent and timely planning, reviewing and reporting process that will include a cycle of activities and processes to deliver the framework. This will allow Directors and Heads of Service to plan for the production of information rather than react to requests which often arrive with short timescales for delivery therefore ensuring the data is qualitative and relevant.

Complete the implementation of a transparent and effective performance management system

It is vital to have a systematic approach to performance management for it to be effective. The Council procured CorVu performance management system in February 2006 which includes a database holding all performance data and a report writer that produces reports to help analyse data and make evidenced-based decisions. This software has been crucial in enabling the Cabinet and Scrutiny Committee, and Service Boards to receive current performance data in a readable format.

Take action and make decisions based on performance information

Members and officers need to be committed to take action based on the performance information that is presented to them. This ensures that actions and decisions that affect future improvement and delivery of services are based on actual evidence. This gives a message to the community, staff and partners that the Council is operating openly and transparently and prepared to address weaknesses and learn from successes.

Embed a performance culture throughout the Council

The Performance Management Strategy, Framework and performance management system will, when fully integrated with effective and regular staff development review discussions, enable a performance orientated culture. This will lead to delivery of tangible improvements as part of day-to-day staff working practices.

A performance management culture exists when seeking out and adopting best practice is integral to the way in which the organisation is structured and managed.

It is a culture in which every person in the organisation understands the organisational vision and priorities and how their role helps to achieve them. It enables everyone to be empowered, encouraged and motivated to use performance information to act in achieving agreed targets and understanding the performance management framework.

Delivery of the Performance Management Strategy Principles and Aims

For the Performance Management Strategy to be fully effective, principles agreed and aims delivered, Members and senior officers must work together and with their services to demonstrate full commitment.

Strong leadership is required to drive the changes forward to achieve a positive Comprehensive Area Assessment, transforming the culture of the

organisation to become more performance orientated, delivering customer focussed services and achieving value for money.

Regular good communication is essential for staff and partners to understand and engage with the principles and aims of the Strategy and these processes will be included in the new Performance Management Framework. Cascade of information both from top down and bottom should happen regularly in ways that makes performance management interesting and fun ensuring full engagement therefore making achievements of objectives more efficient and effective.

Performance management is an essential ingredient for improvement and delivering high quality services for the Island community. Many top-performing councils have found that improving their performance management processes has helped to achieve both real breakthroughs in performance as well as incremental improvement in their core services.

Ensure that staff receive regular supervision to monitor work performance and progress towards agreed objectives

Being successful at work is an important part of being motivated to achieve the expectations for high quality service delivery and to secure the achievement of required outcomes for the council. The development review process plays an essential part in helping staff to establish the link between council objectives and individual work objectives and targets and to identify the level of and of type support needed to achieve them. Making sure that work activity is appropriately aligned to current and future priorities is crucial to effective performance management. However, staff need regular time with their manager through formal supervision meetings which provides opportunity to review progress, identify problems before they become serious, provide support when difficulties are experienced and to recognise and acknowledge good work.

Delivery

More formal requirements for delivering effective performance management will be through a programme of regular one to one supervision meetings that will be required to be conducted by all managers with their staff on a monthly basis. This provides staff with dedicated time to discuss and monitor their progress at work and to see how this fits into the wider picture of council achievement. This pattern of regular meetings ultimately provides the basis upon which the annual development review meeting and six monthly review can be undertaken, where new work objectives and targets are formalised and reported against.

Framework

The framework has a number of components:

- Corporate Plan and Service Plans
- Directorate Service Boards – monthly
- Director Quarterly summary
- Quarterly Director Performance Meetings
- Cabinet Member Quarterly Report
- Scrutiny Review
- Annual Report