

# Nottingham City Council Organisational Performance Management Framework

*Revised September 2015*

## Context

### Introduction

Our organisational performance management framework (PMF) seeks to drive improvement and achieve the best results for Nottingham and its citizens. It enables a consistent, streamlined and joined-up approach to all performance activity throughout the organisation. The PMF also provides some of the evidence and information needed to effectively commission and deliver services.

### Citizens at the heart

The Council is actively pursuing the ambition to firmly place citizens at the heart of everything it does. This revised PMF supports this ambition by embedding a strong performance culture throughout supported by the Council's Executive and Corporate Leadership Team (CLT).

We have identified four areas for the council to focus its attention and resources on with the ultimate aim of putting citizens at the heart:

- Great Workforce
- Great Services
- Great Council
- Great City

The PMF therefore will support this programme by providing the framework and context to monitor and evaluate our progress against the Council's strategic aims and priorities over the next 4 years.

Running alongside this is the new Council Plan (2015-19). This sets out the details and ambitions for the Council for the next four years and the context and challenges which the City Council faces in the coming years.



This PMF sets out the high level approach to performance management, ensuring that all are:

- clear about what to achieve, by when and by whom;
- focusing resources and action on the right outcomes;
- aware of how things are going – successes and where things need to improve;
- reporting on progress - to both internal and external audiences;
- able to quickly access effective support.

Each department, service and team will need to apply and supplement the PMF in ways that best suit their context and needs. Joining things up and working together as one-council alongside our external partners will help achieve the Council's and City's ambitions.

## **Transparency and Challenge**

Local Authorities no longer have formal external assessment of overall performance. Alongside any existing publication of results and performance, a transparent system of self regulation and accountability is important to objectively demonstrate how things are going. The City Council is considering utilising the Local Government Association's (LGA) ['Taking the Lead'](#) approach for sector lead improvement.

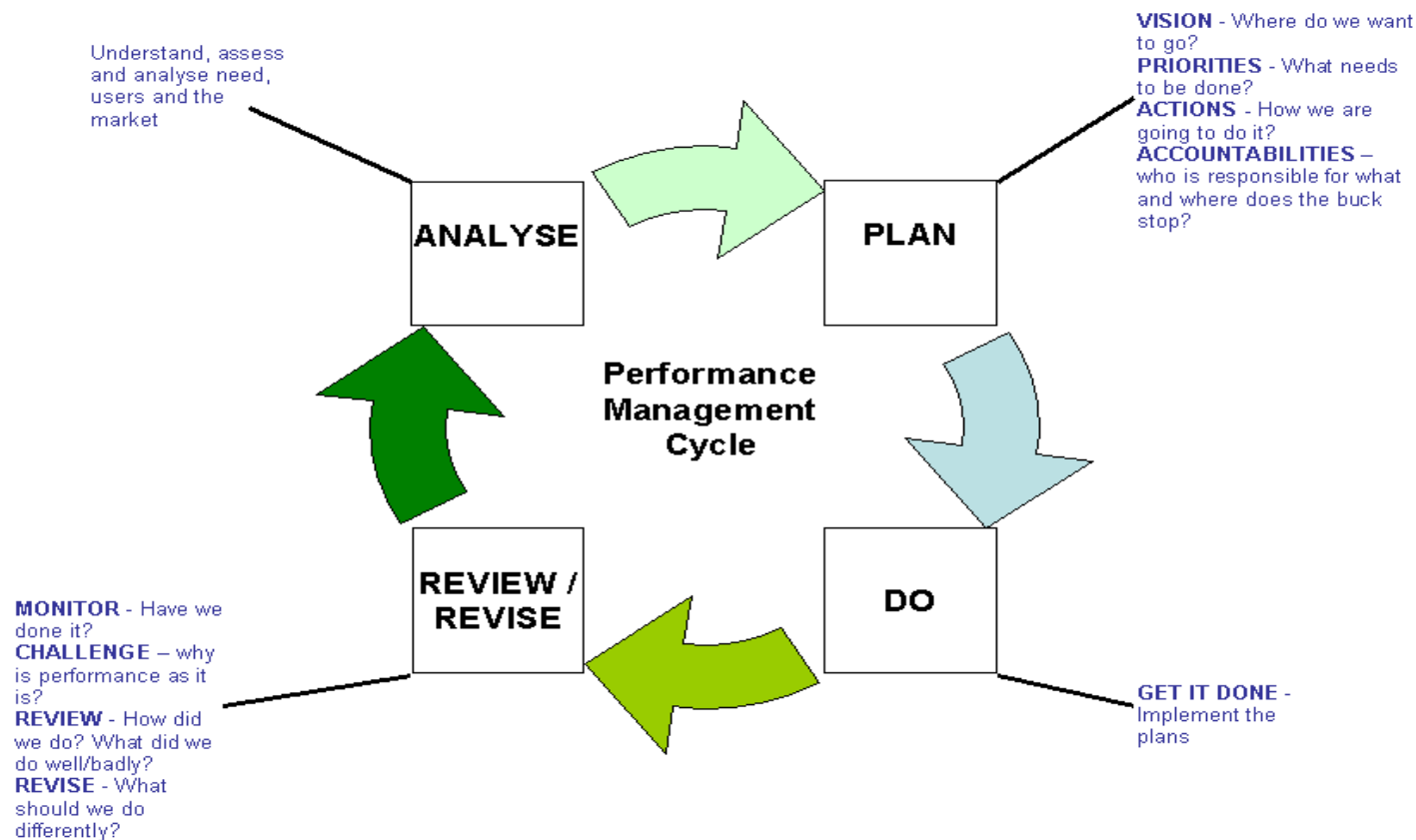
Elements of adult and children's social care and education services are still externally assessed and inspected by the Care Quality Commission (CQC) and Ofsted.

# Organisational Performance Management Approach

## The Performance Management Cycle

The PMF consists of four cyclical and continuous stages – **ANALYSE - PLAN - DO – REVIEW / REVISE**. See figure 1 and each of these four phases is explained on the following pages.

Figure 1



## ***ANALYSE – Understand, assess and analyse need***

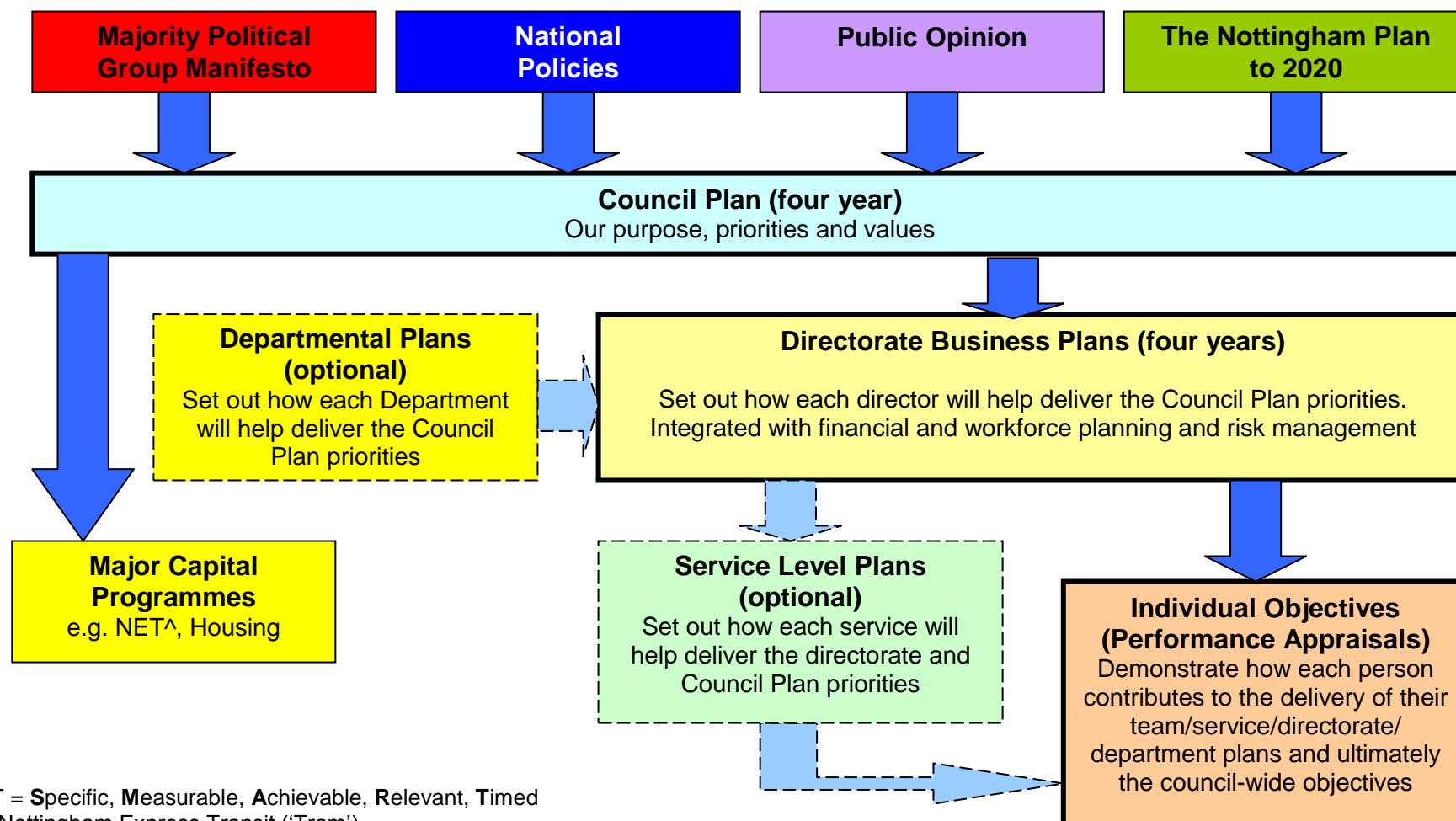
Understanding the needs of users, citizens and the environment in which the services operate is critically important. This is analysed in the context of:

- The [Council Plan](#) which is informed by: the majority political group's manifesto, Central Government policies and public opinion;
- Current **legislation** and any **regulatory** considerations;
- Nottingham's overarching community strategy - [The Nottingham Plan](#);
- **Citizen demographics** – including age profile, gender and ethnicity. The [Nottingham Insight](#) webpage provides more information including datasets such as the Census and Indices of Deprivation;
- Wider emerging **social trends** such as increased joblessness;
- **Customer satisfaction** and feedback about how services are being provided along with views on what is important to be delivered. The Council's approach to working with/interacting with citizens and customers is set out in the [Citizen First programme](#). Customer satisfaction details appear on the [Nottingham Insight](#) webpage;
- **Past performance** is also an important when considering how we are progressing, as it allows services to identify and analyse any patterns or trends
- **Internal workforce composition** - such as demographics, skills and talents, engagement etc. Information appears on the [Council's intranet](#).

An evaluation of the impact on the service(s) of **change** should be undertaken after implementation to determine return on investment, benefits and learning. Services may have experienced several changes and analysing their impact (e.g.: drivers, investments and savings) is beneficial.

## PLAN - Setting the vision and long term ambitions

**Figure 2** shows how the PMF elements link strategic plans to individual colleague objectives in a *golden thread*. At each level, SMART\* performance indicators (PIs) and key actions are used to measure and track delivery:



\* SMART = **S**pecific, **M**easurable, **A**chievable, **R**elevant, **T**imed

<sup>^</sup> NET = Nottingham Express Transit ('Tram')

## **The Council Plan**

The Council's current purpose, priorities and values are set out in the Council Plan 2015-159 (due to be published in November 2015). This outlines key priorities and what will be done to meet them. It also shows how the Council contributes to the strategic priorities set out for the City in The Nottingham Plan. It formally embraces the leading political group's manifesto into Council policy.

The Council Plan takes into account various environmental factors including the national economic picture, the City's demographics, citizen's views and government policies.

The Medium Term Financial Strategy (MTFS) sets out how resources will be aligned to deliver the Council Plan objectives and the annually updated Medium Term Financial Plan (MTFP) translates the objectives in the various levels of plan into the detailed budget.

## **Directorate Business Plans**

Each service directorate produces a four year business plan that will run parallel to the lifespan of the Council Plan. Each plan identifies a set of SMART key actions, which contribute to the delivery of the Council Plan. Achievement is measured using a range of performance indicators (PIs). Key features include a budget, workforce plan and risk management plan to ensure that the objectives can be delivered in the current and future context. Business Plans can either be produced at the Directorate or Business Unit (Head of Service) level.

## **Major Capital Programmes**

Where a major programme is managed separately due to its size and complexity e.g. Nottingham Express Transit (NET) development or Housing Strategy, this can relate directly to objectives in the Council Plan and so warrants a separate management and reporting stream outside the directorate business plans.

## **Personal Objectives**

Each colleague has an annual [performance appraisal](#) meeting with their line manager at which personal objectives and milestones for the year ahead are set. These show how each person contributes to their directorate plan (and therefore the Council Plan objectives). They may also show how their work links to their service level plan and above.

**Accountability** - Everyone at the Council plays a part in the PMF. **Table 1** overleaf shows how these responsibilities are distributed:

Councillors	<b>Full Council</b> <ul style="list-style-type: none"> <li>• Approve the overall priorities and budget for the Council.</li> </ul>
	<b>Council Executive</b> <ul style="list-style-type: none"> <li>• Make budget recommendations to Council and approve the Housing Revenue Account (HRA)</li> <li>• Oversight of Council Plan priorities and manifesto commitments (which are embraced within Council policy).</li> </ul>
	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>• Oversight of corporate governance - internal control, risk management and financial reporting</li> <li>• Approve and critically appraise application of the PMF.</li> </ul>
Senior Management	<b>Corporate Leadership Team (CLT)</b> <ul style="list-style-type: none"> <li>• Strategic responsibility for achieving Council priorities</li> <li>• Oversight of corporate performance, taking necessary action and focussing resources</li> <li>• Deliver the MTFS and MTFP.</li> </ul>
	<b>Corporate Directors</b> <ul style="list-style-type: none"> <li>• Deliver departmental objectives</li> <li>• Accountable for their department's overall and operational performance</li> <li>• Help deliver the Council's strategic priorities</li> <li>• Deliver within budget and strive to achieve better value for money/reduce net cost.</li> </ul>
	<b>Directors/Heads of Service</b> <ul style="list-style-type: none"> <li>• Deliver service objectives</li> <li>• Accountable for their service's operational performance</li> <li>• Develop colleagues and teams to ensure they deliver their objectives and contribute to the Council's strategic objectives</li> <li>• Deliver services on time, to standard and within budget and identify and implement net cost reductions.</li> </ul>
Colleagues	<b>Portfolio and Performance (PP) Team</b> <ul style="list-style-type: none"> <li>• Champion and administer the PMF and Covalent performance management IT system</li> <li>• Drive performance improvement through the development of innovative initiatives such as the use of Covalent</li> <li>• Act as a corporate centre of excellence for performance management</li> <li>• Support CLT on performance management.</li> </ul>
	<b>Departmental Performance Leads</b> <ul style="list-style-type: none"> <li>• Ensure corporate performance information is provided through Covalent and the system is optimised to report and manage performance in each department.</li> </ul>
	<b>Departmental Executive Officers</b> <ul style="list-style-type: none"> <li>• Work collaboratively with PP to ensure the PMF, Covalent and other key performance management processes and initiatives are understood and adopted by managers in each department</li> <li>• Work collaboratively with PP to share best practice and embed a consistent performance management culture.</li> </ul>
	<b>All Colleagues</b> <ul style="list-style-type: none"> <li>• Achieve their personal objectives and contribute to those of their team/service/department</li> <li>• Take responsibility for individual performance and development</li> <li>• Understand how they contribute to the Council Plan objectives.</li> </ul>

## **DO - *Deliver the objectives, implement the plans***

The Council's plans are live documents which set out what will be done in the period ahead. They are updated to reflect emerging issues such as citizen or regulator feedback and any political changes at central or local level and ensure they remain focussed on delivering outcomes.

### **Colleague Competencies**

The Council uses a set of nine competencies in a [Competency Framework](#) against which each colleague is assessed as part of their annual performance appraisal. This is supported by the [colleague performance management policy](#).

The Competency Framework outlines that managers ensure that the PMF is used effectively within their services and ensure that it links to their risk and financial management activities. Most importantly, managers must demonstrate that they manage performance and base decisions on reliable performance information and other insight.

## **REVIEW / REVISE – *monitor, challenge, review and revise***

The consideration of performance through the organisation is undertaken in an interlocking hierarchy and cascaded in both directions. This is represented by the following diagram:





## **Covalent**

Covalent is the Council's online performance management system that is used to collect, report and analyse performance across the whole organisation, enabling directorates to manage their performance information and take action where required. Covalent helps to provide consistency and effectiveness in the approach to performance and business management at any required level. For example, it can be used to provide up-to-date performance information in the various performance meetings and forums.

## **Departmental Performance Review**

Each department's leadership team convenes a dedicated monthly and/or quarterly meeting to consider their performance in connection with their departmental and Council Plan priorities. Covalent-generated dashboards and reports should be used wherever appropriate to ensure information being considered is consistent with all areas of the Council. The functionality of the system enhances the discussions and considerations.

## **Corporate Performance Review**

Each member of CLT is able to consider performance in 'real time' through a tailored Covalent-generated dashboard or report specifically for their department which is particularly focussed on the Council Plan and its agreed set of Council priorities. This supplements the performance 1-2-1 meetings held with each of their directors and associated portfolio holder(s), which occurs at least quarterly and ahead of the CLT performance discussion.

The Portfolio and Performance Team supports CLT through a facilitated discussion each quarter with performance information centred on reviewing progress against Council Plan priorities. CLT focus on reviewing and challenging overall corporate performance, potentially aligning resources to improve areas of greatest need and checking that capital and transformation programmes are achieving change and driving improvement in the right way.

Alongside the performance/progress of the Council Plan, CLT consider other key metrics to create a more balanced scorecard approach to performance management. These include:

- **Corporate Health PIs** – to provide context and background to the delivery in terms of workforce issues, spend etc.
- **Directorate 'business critical' PIs** – to provide senior management with an indication of progress in directorates that show key performance areas of their business
- **Customer interaction/satisfaction PIs** – to ensure the way customers/citizens view service delivery is considered alongside the progress in meeting targets etc.

## **Councillors and Performance**

Each Executive councillor is able to consider performance in 'real time' of their particular portfolio/area of interest through a tailored Covalent generated dashboard or report.

A dedicated Council Executive Panel (Executive + CLT) meets quarterly to discuss Council Plan performance within 2 – 3 weeks of the CLT performance discussion. CLT are therefore able to bring issues directly to the Executive's attention.

## Communicating Performance

The Council is committed to transparency and citizens are able to access up-to-date performance information on the [Open Data Website](#). Information is also included in the citizens' newsletter; [The Nottingham Arrow](#) - published four times a year.

Each quarter, important performance issues are published in the internal newsletter - [Impact](#) - to raise colleagues' awareness.

**Table 2** shows the sequence of collation and consideration of performance following the end of each quarter:

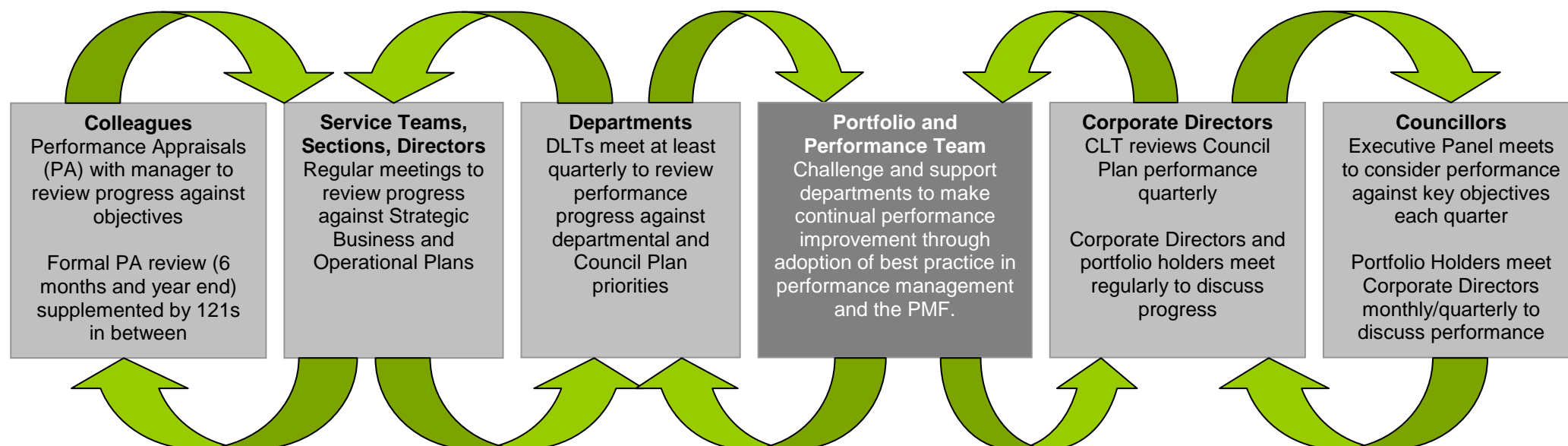
WEEKS AFTER QUARTER END	1	2	3	4	5	6	7
Previous quarter performance info collated/collected on Covalent by services	●	●	●				
Departmental Leadership Teams (DLT) performance review meetings			●	●			
Corporate Directors performance discussions with Portfolio Holders			●	●			
Corporate Leadership Team (CLT) Performance Discussion				●	●		
Council Executive Panel/Board					●	●	
Performance information published						●	●

## Performance Review and Challenge

Performance information needs to be actively used to achieve outcomes and drive improvement. The Portfolio and Performance team provide corporate support and objective challenge to ensure that the Council achieves the best it can for the City at every level.

Challenge and review occurs at all levels in the organisation and includes the review of past performance, learning lessons, benchmarking and looking ahead to what needs to be done next. **Figure 3** illustrates the regular sequence of review and challenge that takes place.

**Figure 3: Review and Challenge Sequence**



### Other Forms of Challenge

The other forms of review that focus on particular service areas at certain times are shown in **Table 3**:

WHAT	DETAILS
<b>Consultations and surveys</b>	There is a wealth of detailed feedback from specific surveys and consultation exercises available. Information is gleaned from our annual citizens' survey, public debates and local councillor surgeries; much of this is available from the <a href="#">Nottingham Insight</a> web site.
<b>Complaints, Compliments and Comments</b>	The public are encouraged to feedback to the Council on the services we provide through the <a href="#">Have Your Say</a> facility. Each directorate is provided with a monthly update of any comments, complaints or compliments to inform their decision making.

WHAT	DETAILS
Statutory Inspections	<p>The central inspection regime is much reduced but some statutory inspections remain:</p> <ul style="list-style-type: none"> <li>• Adult and Children's Social Care - <a href="#">Care Quality Commission</a></li> <li>• Education - <a href="#">Ofsted</a></li> <li>• Youth offending - <a href="#">Her Majesty's Inspection of Probation</a></li> <li>• Financial probity, value for money and governance - external auditors (currently KPMG, as at December 2013)</li> </ul>
Sector Led Improvement	<a href="#">LGA sector led improvement support</a>

## Performance Benchmarking

Comparing the City Council with other providers and agencies helps it to understand the wider context, provides potential to learn from others and to achieve more. There are several benchmarking tools and services used to compare performance and costs such as those provided by organisations such as the LGA's LG Inform, Chartered Institute of Public Finance Association ([CIPFA](#)), the Society of Information Technology Managers ([SOCITM](#)) and the Department of Education's Local Area Initiative Tool ([LAIT](#)).

To support councils in comparative and benchmarking exercises, CIPFA's [Nearest Neighbours Model](#) adopts a scientific approach to measuring the similarity between authorities. Services are recommended to use the model to select benchmarking comparators. In 2014 (latest figures), the top 10 authorities closest to Nottingham City Council according to the standard parameters in the model were (in descending order of similarity):

1. *Newcastle upon Tyne*
2. *Liverpool*
3. *Salford*
4. *Coventry*
5. *Kingston-upon-Hull*
6. *Wolverhampton*
7. *Leicester*
8. *Sheffield*
9. *Sandwell*
10. *Derby*

## Revision

It is important that Plans are viewed as live documents and not in isolation. They therefore need to be continually reviewed and potentially revised as communities change, government policies evolve and new needs and priorities emerge as public expectations and requirements constantly evolve.

The **Council Plan** is annually **reviewed and refreshed to focus action on its delivery**. Necessary changes are fed into all level of plans. Any potential amendments to plans are reported to and discussed by councillors at the start of the year in order for the changes to be agreed and implemented. **Directorate Business Plans** PIs, actions and risks within each directorate's business plans are also **reviewed annually**.

## **PMF Review**

The **Audit Committee** holds overall responsibility for the PMF. This demonstrates the Council's commitment to sound and effective corporate governance and ensures a high profile for internal control, risk management and financial reporting. The PMF is annually reviewed by the OPP to ensure it remains fit for purpose. This review takes account of the current internal and external environment and looks ahead to future changes.

## **Risk Management**

Risk management is a complementary activity to performance management which help colleagues to deliver all kinds of objectives. Risk management helps anticipate uncertain future events; risks - so that they can be avoided or minimised and opportunities – so that they can be optimised. Actions are then agreed to manage the likelihood and/or the impact of the risk occurring. Performance management helps to identify risks, highlights when risks are deteriorating and provides mechanisms to drive effective risk management activity. For further details - [risk management](#)

## **Transformation**

The Council works hard to shape outcomes that are focused on meeting the needs of its citizens through the commissioning and provision of high quality, value for money services that are sustainable and fit for purpose now and into the future. To support this, there is a [Transformation Portfolio](#) of dedicated programmes and projects of change that are shaped by the 2020 vision for Nottingham in the Nottingham Plan, the *Good to Great* agenda and *Placing Citizens at the Heart* of what we do.

It is expected that these programmes will also help to secure significant cost reductions and mitigate future cost increases particularly through the 'big ticket' programmes, which sit within the Transformation Portfolio.



## **Other Frameworks, Strategies and Policies**

The PMF links to and supported by a number of other frameworks, strategies and policies that apply across the Council, including:

- [Colleague Performance Management Policy](#)
- [Competency Framework](#)
- [Commissioning Framework](#)
- [Financial regulations](#)
- [Medium term Financial Strategy](#)
- [People Management Handbook](#)
- [Performance Appraisals](#)
- [Risk Management Strategy](#)

## Further Information and Support

These are key contacts for performance management across the Council (as at October 2015).

		
Children and Adults Department (C & A) (inc. Early Intervention)	<a href="#">Sophie Russell</a> <a href="#">Andy Shone</a>	63432 64843
Commerical & Operations Department	<a href="#">Steve Chartres</a> (Sport and Culture) <a href="#">Marcus Pope</a> (Neighbourhood Services)	63698 63148
Development & Growth (D & G) Department	<a href="#">Debbie Mellors</a> <a href="#">Rachel Mottram</a> <a href="#">Patricia Whelan</a>	63953 64295 63427
Organisational Transformation Directorate	<a href="#">Kirsty Spencer</a>	65697
Resilience Department	<a href="#">Frank Robinson</a> <a href="#">Evonne Rogers</a>	63750 63747
Portfolio and Performance (PP) Team – <i>management of corporate performance and departmental performance management support</i>	<a href="#">Lisa Ball</a> – support to C&A and D&G <a href="#">Chris Common</a> – support to Resources and OT <a href="#">Chris Lowry</a> – support to Communities and Community Protection <a href="#">Ken Lyon</a> – PP Manager	62335 63435 63434 63471
Strategic Director with overall corporate responsibility for Performance	<a href="#">Angela Probert</a>	63440
Councillor Portfolio Holder Lead for Performance Management	<a href="#">Cllr Nicola Heaton</a>	63783

### Version Management

- Version 1 – 7/4/14
- Version 1.1 – 25/4/14
- Version 2 – 4/11/14
- Version 3 – 23/6/15
- Version 4 – 10/9/15
- Version 5 – 27/10/15