

Corporate Scrutiny Committee
22nd November 2023

Performance Management Framework

**Report of the Acting Assistant Chief Executive, and Director of Policy,
Performance and Communications**

1 Purpose

1.1 To apprise Corporate Scrutiny Committee of the following:

- The revised approach to corporate performance.
- The interim performance management arrangement in relation to the Strategic Council Plan (SCP).
- The newly formed Office for Local Government (Oflog).

2 Action required

2.1 For Corporate Scrutiny Committee to:

- acknowledge the development of the Performance Management Framework as an approach to enhance performance monitoring and management
- note the interim arrangement to remove the requirement to report against the current Strategic Council Plan (SCP) until quarter 4, post refresh of the SCP in Feb 2024
- note the additional scrutiny that Oflog may bring
- review the information received and ask questions of Portfolio Holders and officers as required

2.2 The Committee is asked if it wishes to make any comments or recommendations regarding the information presented at the meeting.

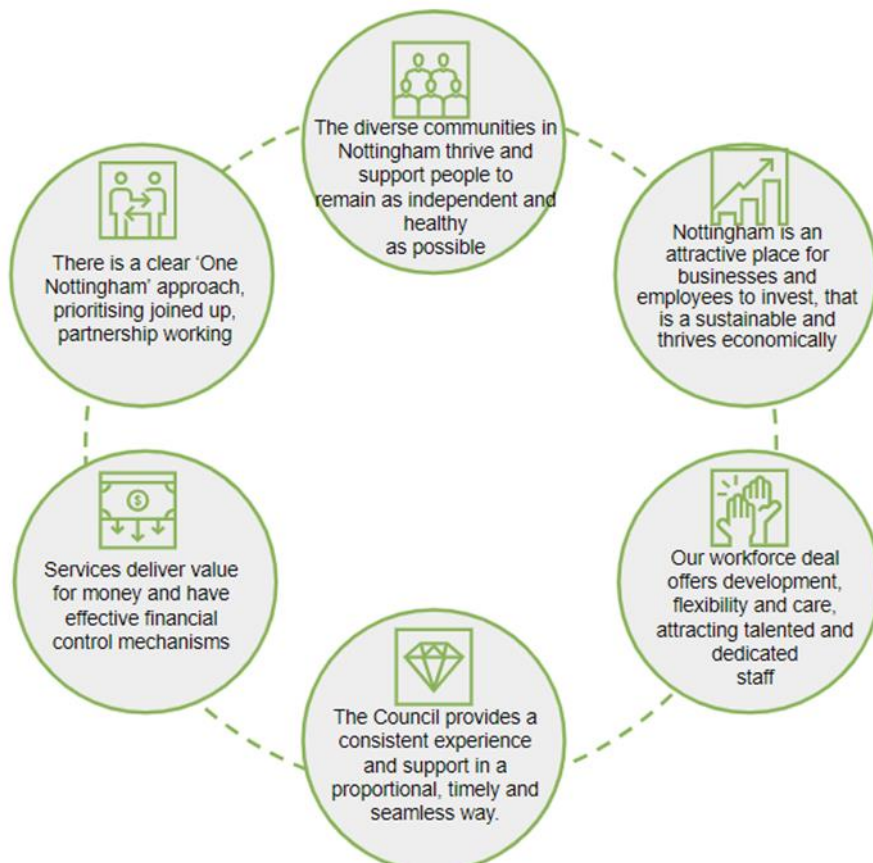
3 Background information

A revised approach to performance management

3.1 The council is data rich and there is a requirement to leverage this asset to improve decision-making. A Performance Management Framework (PMF) improvement plan is being developed to refresh the Council's approach to performance management. The redevelopment will aim to embed a robust and consistent approach to the use of data, business intelligence and performance management across the council, creating a step change in the council's analytical and performance management offer. The approach is intended to help evidence that Nottingham is delivering outcomes for citizens under its Best Value Duty. This evidence will be key as Nottingham looks to exit statutory intervention. The proposed approach is likely to encompass a number of changes to current practice.

3.2 Prior to 2021, the Council's approach to corporate performance management was greatly informed by a focus on manifesto commitments. This approach lacked alignment with many core council functions. To broaden and adopt a more comprehensive and holistic evaluation of council performance, Critical Indicators (CIs) were introduced in 2022. It is recognised that a review of these indicators is now necessary to rationalise their value and align them to the outcomes of the Strategic Council Plan (SCP) and the One Council outcomes.

The six 'One Council' outcomes



3.3 The One Council Outcomes are not intended to replace the SCP outcomes. They are for internal organisational use to provide a clear link between officer contribution to the organisations core objectives.

The 'One Council' outcomes mapped against the SCP and 'Together for Nottingham' Plan

Outcomes	The diverse communities in Nottingham thrive and support people to remain as healthy and independent as possible	Nottingham is an attractive place for businesses and employees, which is economically sustainable and thriving	The Council provides a consistent experience and support in a proportional, timely and seamless way	Our workforce deal offers development, flexibility and care, attracting talented and dedicated staff	Services deliver value for money and have effective financial control mechanisms	There is a clear 'One Council' approach, prioritising partnership working and collaboration
Together for Nottingham	Service Design and Delivery	Service Design and Delivery	Service Design and Delivery	Organisational culture Service Design and Delivery Council Plan	MTFS Asset Management Companies Capital programme Constitution Service Design and Delivery Council Plan	Service Design and Delivery Council Plan
Draft Strategic Council Plan	Living well in our Communities Safer Nottingham Child Friendly Nottingham Better Housing	Carbon Neutral by 2028 Keeping Nottingham Working Improve the City Centre	Serving people Well			Green, Clean and Connected Communities Carbon Neutral by 2028 Keeping Nottingham Working Keeping Nottingham Moving Improve the City Centre

3.4 The development of the Performance Management Framework (PMF) improvement plan will be based on the following principles:

- A PMF with a clear hierarchy of metrics. The volume of metrics will no longer be overwhelming. Reporting will be targeted and information will be supplied to the right audience/user at the right time. Certain reporting will be by exception on a subset and there will be a thread that will cascade performance measures throughout the organisation (e.g. divisional performance clinics, to DLT (Divisional Leadership Teams), to CLT (Corporate Leadership Team), to Leadership, Exec Panel and Corporate Scrutiny Committee).
- A more concise and user-friendly performance management suite (and software) that offers risk rating, direction of travel, baseline, definitions, and comparators. This is likely to be quarterly for the PMF.
- A monthly and quarterly performance management regime built on the monthly divisional performance clinics that is coterminous with the corporate cycle (DLTs, CLT, Leadership, Exec Panel etc).
- Monthly performance clinics will continue to be the forum where the PMF is reviewed, along with Divisional Plans, SCP commitments, risk and budget. The format of these and the approach will undergo revision.
- A strategy to effect cultural change and ensure data is better understood and performance remains valued.

3.5 There is an ambition to develop a mature Performance Management Framework with accountability at its core. In order to realise the ambition, a series of key themes will be reviewed; Systems, Resources, Metrics and Culture.

3.6 A strong strategic core is a prerequisite to the realisation of this ambition and the accompanying project is likely to entail a substantial amount of activity given the scale of the council and the current performance management landscape. Updates will be provided as the development of the metrics progresses.

Interim performance management arrangements

3.7 In order to ensure that the new SCP can be demonstrated to have adequate resources within the Divisional Plans for 2024/25 and the Medium-Term Financial Plan (MTFP), Exec Panel has officially supported the principle of adopting the revised SCP in February 2024 alongside the MTFP.

3.8 As such, quarterly corporate performance management of the SCP has not yet resumed and so it is proposed that reporting does not recommence until Quarter 4 in order to allow time for the refresh of the SCP, the establishment of a comprehensive PMF and the conclusion of the performance review and establishment of a performance improvement plan. Quarterly reporting will continue on the existing Critical Indicators (the 'business as usual' metrics), subject to any review of the CIs.

3.9 The focus going forward will be on the performance management of the PMF rather than conducting quarterly assessments of the SCP commitments. This shift in emphasis aims to ensure a more concentrated and effective approach to performance management. Thus, future performance reporting of the SCP commitments (i.e. derived from the deliverable elements of the manifesto) will be annual rather than quarterly (but within an increase in frequency to 6 monthly towards the conclusion of the SCP (Year 3 onwards). Quarter 4 performance will be shared with senior officers and the Executive, and with Corporate Scrutiny Committee when required after April 2024 when the revised SCP would be in place. This would provide an immediate assessment of plans to deliver the commitments, alongside the comprehensive PMF.

Office for Local Government Overview

3.10 In addition to local scrutiny, it is important to also be cognisant of the national performance landscape and the emerging Office for Local Government¹ (Oflog). Oflog is a new performance body with an aim to provide authoritative and accessible data and analysis. Oflog was established in the summer of 2023 and is in its early stages. As such, it is likely to undergo ongoing development in the coming months. Oflog's core mission is noted as "warning, supporting, and informing". In the first year, three primary areas of focus have been outlined:

- I. **Continued Development of the Data Explorer:** The Data Explorer is a new online tool which brings together a key selection of existing metrics at a local authority level. The tool aims to achieve comprehensive coverage across the sector within three years. At present it is limited to a small

basket of metrics pertaining to Finance, Waste Management, Adult Social Care and Adults Skills.

Data Explorer Example (Finance)



II. **The creation of an 'Early Warning' System:** The ambition is to establish a system that could identify local authorities at risk from financial failure before it occurs. This would primarily rely on data analysis, but it would also incorporate "soft intelligence" gathered from discussions with organisations such as OFSTED, CQC and CIPFA. If an LA was deemed at risk, then support and a peer review would be offered. At present this is largely a concept and there are no firm details as to the methodology or the support offer.

III. **Development of Webinars:** Oflog hope to deliver a series of online seminars, with the aim of sharing and promoting best practice across the sector.

3.11 Looking beyond the first year, three additional priorities have been informally outlined:

I. **An advocacy for additional government data releases:** There is a strong desire to encourage central government to release additional datasets that

could enhance insights. It is noted that this would introduce no additional burden on LAs.

- II. **Enhancement of data capabilities within LAs:** Oflog aim to provide consultancy services that could assist local authorities in advancing their data maturity.
- III. **Thematic reviews:** A series of reviews, akin to those previously offered by the Audit Commission. These reviews would provide well-informed, qualitative assessments at a national level, sharing best practice in specific areas (e.g. waste management, etc.) with an emphasis on value for money.

3.12 There are concerns that the aggregation of data could lead to the creation of unofficial league tables, but the format of the Data Explorer goes some way to guard against this, although all data can be downloaded. Oflog feel that "data prompts questions, not judgments" and this perspective would be reflected in communications to discourage league tables.

3.13 The publication of a statutory data is not new, with data.gov, the Office for National Statistics (ONS) and LG Inform already hosting useful and comprehensive libraries, but Nottingham should note the additional lens and scrutiny that Oflog may bring, especially as benchmarking is a central feature of the Data Explorer. The tool makes it easy to highlight outliers and this is likely to pose questions. Any nuance or explanation as to the story behind this metric and the historic trajectory is lacking.

3.14 The council, and all local authorities, may wish to form a view as to how Oflog can support the sector. For example, Oflog could be a valuable asset in advocating for local government and highlighting the challenges that have arisen from financial disparity and increased demand for statutory services. These challenges will be starkly apparent through data. There may also be scope to develop a unified framework relating to Best Value, this could greatly inform any future Best Value review. Oflog are in an ideal position to shape and produce valuable tools going forward.

4 List of attached information

4.1 None.

5 Background papers, other than published works or those disclosing exempt or confidential information

5.1 None.

6 Published documents referred to in compiling this report

- 6.1 Nottingham City Council Plan 2019-2023
- 6.2 Nottingham City Council Strategic Council Plan 2021-2023
- 6.3 Nottingham City Council Recovery and Improvement Plan 2021-2024

7 Wards affected

7.1 All

8 Contact information

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