PROGRESS THROUGH PARTNERSHIP
MAKING A DIFFERENCE

GUIDANCE

PERFORMANCE MANAGEMENT FRAMEWORK AND CONTINUOUS IMPROVEMENT

July 2014

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Guidance on the Performance Management Framework and Continuous Improvement

The following information is provided as a reference document to identify the different aspects of performance and provides explanations of what, why and how these components work together to build an overall picture of the Council's performance management arrangements and commitment to continuous improvement.

Introduction

The Moray Council delivers a wide range of services to a wide variety of users. We must meet the needs of our local communities, provide high quality services and operate reliable and accessible procedures all at a price that offers the best value for money.

Performance management is about the approach and systems implemented to manage and improve performance. It is an inherent part of the Council's culture and is fundamental to the achievement of continuous improvement.

The Council is accountable to its customers and stakeholders, and therefore managing our performance and reporting results is a necessary and important requirement; we must inform you of what we are doing and how well we are doing, what quality of service is being delivered and how we intend to improve our performance. This process demonstrates our commitment to seeking continuous improvement.

All employees and elected members have a role in improving Council services, but sometimes it is unclear how day-to-day activities contribute to the overall improvement of services. This guide aims to develop a picture that demonstrates how these systems and components fit together in order to make a difference.

Performance management and continuous improvement are not added extras; they are part of service management and delivery.

What is continuous improvement?

Continuous improvement for the Council is about maximising the benefits to our customers through the continual review of services, decision-making and action to implement improvement.

In order to achieve continuous improvement we need to have an integrated planning process and an effective performance management system to answer the four fundamental questions:

- What is the Council trying to achieve?
- How has the Council set about delivering its priorities?
- What has the Council achieved / not achieved to date and how will it know?
- In light of what the Council has learned to date, what does it plan to do next?

Why do we need performance management?

Due to the huge range of services that the Council delivers to a wide variety of users it is important that the Council plan what we are here to achieve and how we are going to do it.

As we are accountable both to the public and to central government, we need to have measures in place to assess how well we have performed against our stated long-term vision and objectives. If we do not have measures in place we will not know how well we have performed or where we can improve and decisions may not be based on fact.

Performance management is need in order to:

- Ensure we are on track to achieve our stated vision and objectives
- Identify strengths and areas of good practice which can be shared
- Identify areas for improvement
- Inform decision making, planning and resource allocation
- Compare and benchmark against other organisations
- Ensure accountability

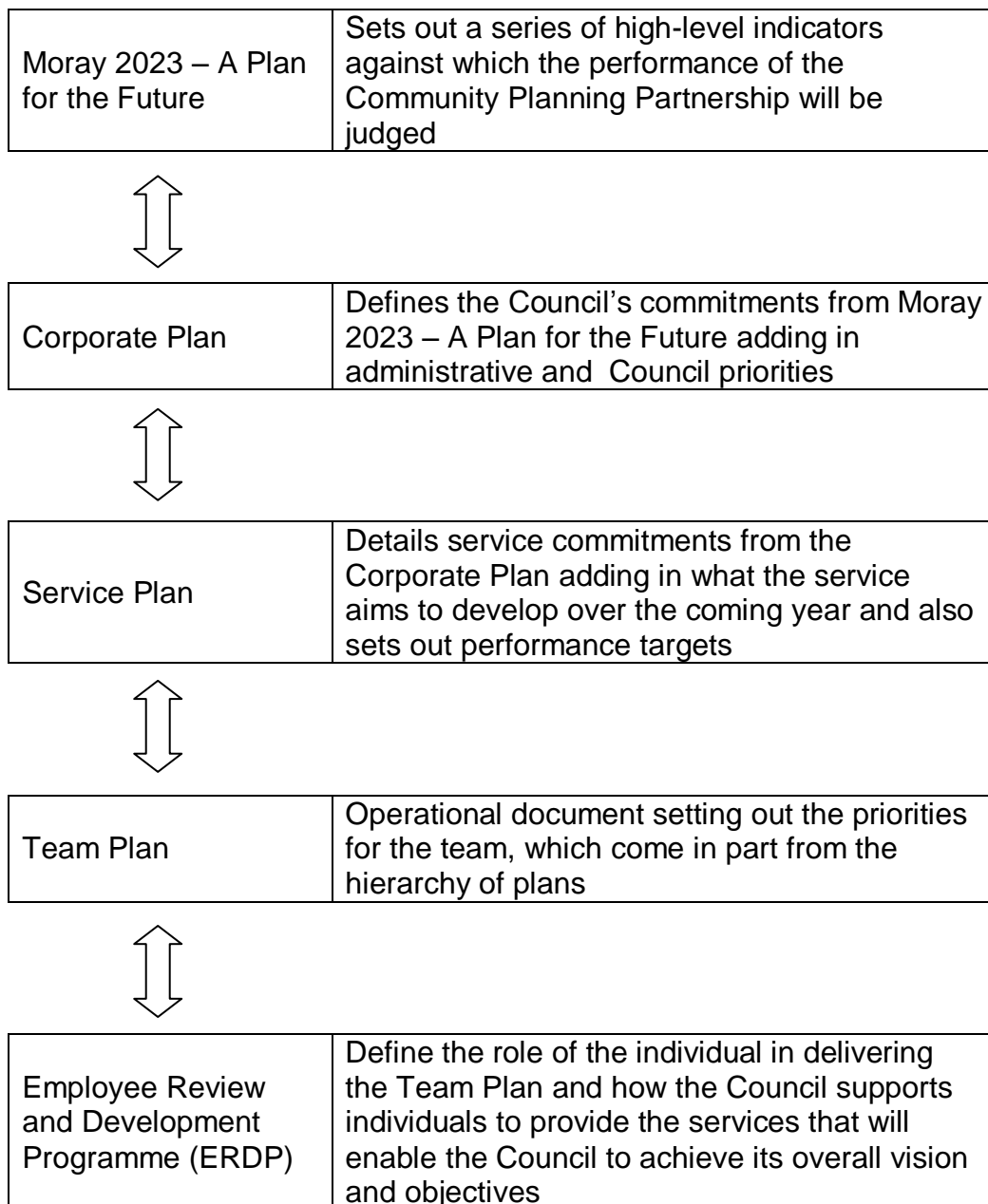**What has performance management got to do with me?**

Every employee has a part to play in performance management, whether it is in completing designated tasks, gathering data within service areas or dealing with customers. It may not be easy to see how what is done as a day-to-day activity fits into the bigger picture but no matter how small, it will likely have an impact on wider objectives.

Integrated Planning

We have recognised that we need to identify and plan what we are here to achieve and how this can be translated into tangible day-to-day activities for employees. There are several plans within the Council which combine to make the Performance Management Framework. These plans allow us to communicate our goals, plan resources and measure progress against defined actions. The Framework brings together a raft of reporting mechanisms to enable Elected Members, the Corporate Management Team and senior officers to gain an accurate and reliable understanding of their service to inform the direction of the Council.

Hierarchy of Plans

Moray 2023 – A Plan for the Future	Sets out a series of high-level indicators against which the performance of the Community Planning Partnership will be judged

⇕

Corporate Plan	Defines the Council's commitments from Moray 2023 – A Plan for the Future adding in administrative and Council priorities

⇕

Service Plan	Details service commitments from the Corporate Plan adding in what the service aims to develop over the coming year and also sets out performance targets

⇕

Team Plan	Operational document setting out the priorities for the team, which come in part from the hierarchy of plans

⇕

Employee Review and Development Programme (ERDP)	Define the role of the individual in delivering the Team Plan and how the Council supports individuals to provide the services that will enable the Council to achieve its overall vision and objectives

Moray 2023 – A Plan for the Future

This ten year plan, prepared in conjunction with the key partners in Moray, followed a fundamental review of services that began in 2012 using the Area Based Review approach. The Plan provides an overarching framework for everything the Council does and a long-term vision and broad strategic objectives for Moray. It is about joining up services to make them better for our local community and to provide a high quality of life for our residents.

Through carrying out our daily business we are directly impacting on our plans, which ultimately impact on the Moray 2023 – A Plan for the Future.

The Community Planning Board is responsible for Moray 2023 – A Plan for the Future and alongside Community Planning Strategic Groups they monitor progress made against the Plan, which covers the ten year period to 2023.

Corporate Plan

The Corporate Plan is a four year plan that sets out the Council's medium to long-term objectives. The key difference between the Corporate Plan and Moray 2023 – A Plan for the Future is that it is primarily about the Council's own vision and priorities for the area.

The Corporate Plan should be the constant reference point for new plans, strategies and projects. New activities should contribute to broader goals set out in the Plan so we are all moving in the one direction together.

The Corporate Management Team (CMT) is responsible for the plan, which covers the four year period to 2018 but is updated on an annual basis so that any new internal or external commitments are incorporated, e.g. duties arising from the Local Government are Scotland Act 2003. Regular progress reports are presented to the Policy and Resources Committee.

Service Plans

Service Plans set out the priorities of the service and how these link to the wider Council objectives set out in the Moray 2023 – A Plan for the Future and Corporate Plan.

They provide a breakdown of the priorities within the department identifying the specific actions, outcomes, resources and targets that are aspired to in terms of performance.

Service managers identify the relevant priorities within the service and these will be prioritised in conjunction with the Head of Service / Corporate Director to ensure the departmental priorities mirror those of the Council. Each Departmental Management

Team is responsible for monitoring achievement against the plan and identifying and actioning any areas of improvement.

Service Plans are reviewed annually and in place for the start of the new financial year. Regular progress reports are presented at the relevant Service Committee.

Team Plans

Team Plans are the detailed plans that stem from Service Plans. The Service Manager / Team Leader is responsible for the Plan and Departmental Management Teams monitor these Plans regularly. The Plan is the reference point for day-to-day work and should contain all the actions relating to the Service Plan, together with the detail of how these will be achieved. In line with Service Plans, Team Plans are reviewed annually and are in place for the start of the new financial year.

Employee Review and Development Programme (ERDP)

The Employee Review and Development Programme is the Council's staff appraisal system. It consists of a meeting between each employee and his / her immediate supervisor / line manager to review individual performance and to determine an employee's contribution towards the department's objectives.
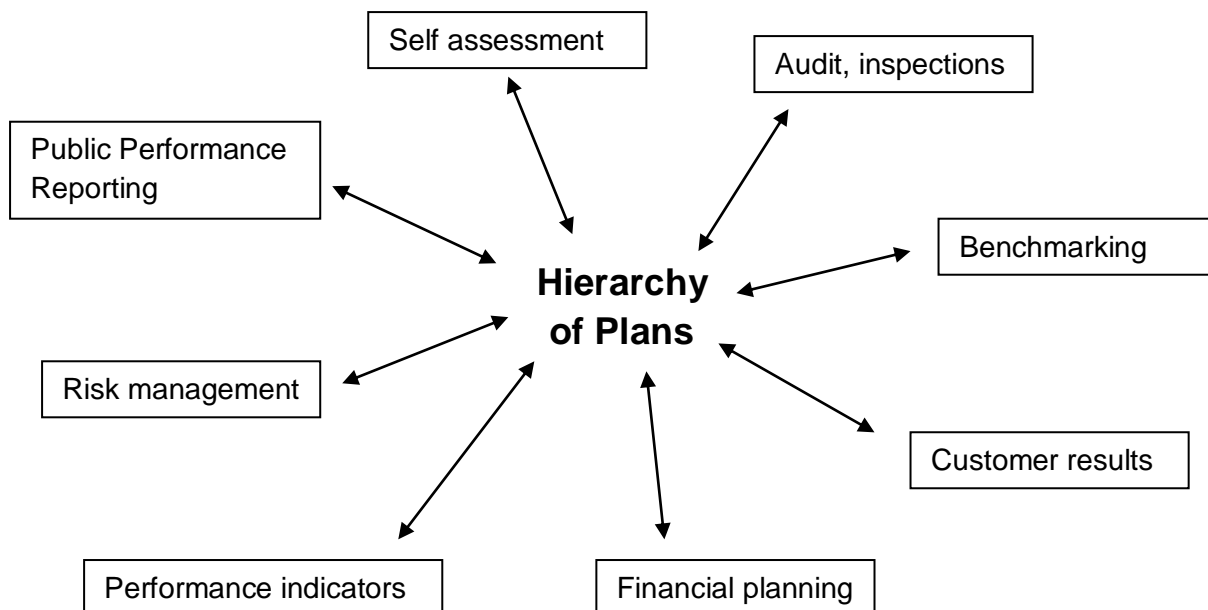
The purpose of ERDP is to review individual performance and to set clear objectives and priorities for employees in pursuit of departmental objectives. The employee and supervisor / line manager will agree what action can be taken to improve performance and achieve objectives. The Council's aim is that ERDP will:

- Help managers plan and allocate work, and develop their team
- Allow all employees to participate in planning their own work and development
- Allow all employees to offer ideas about how to improve our practices and services

The supervisor / line manager will monitor progress against the ERDP and review annually.

Supporting processes

All of these Plans are driven, informed and supported by a number of processes and targets to aid the delivery of the Council's priorities –

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          Self assessment                    Audit, inspections

Public Performance
Reporting                                             Benchmarking

                          Hierarchy
                           of Plans

  Risk management                                  Customer results

     Performance indicators          Financial planning
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Audit and inspections

Undertaken externally and internally, audit and inspections will judge services on how well they are currently performing and on their potential for improvement based around national priorities. In the majority, findings to include improvement plans and timescales are reported to Service Committees.

Benchmarking

Benchmarking is a way of comparing processes and procedures to ensure that we can deliver the Council's services in the most efficient and effective way possible by opening up new methods, ideas and tools to improve the delivery of services. Through looking at our performance results and comparing these with other council's and private sector companies we can identify how better results can be achieved. This enables the Council to decide what level of quality and cost should be used to deliver its desired results. Some services are a member of service led benchmarking clubs, but nationally comparison across all authorities is also available.

The Scottish Local Government Benchmarking Framework Project, led by the Society of Local Authority Chief Executives (SOLACE) in partnership with the Improvement Service, collaboratively developed a comparative benchmarking framework for Scottish Local Government that supports the targeting of

transformational / change resources to areas of greatest impact in terms of efficiency (unit costs), productivity and outcomes.

The Project Board publishes annually a wide range of information allowing Scottish Councils to assess performance in delivering better services to local communities by providing comparison nationally and with other relevant local authorities through family groups. The published data is presented in tables, graphs and charts on the project's website. A national overview report is published and Knowledge Hub created to provide an online forum for all councils.

http://www.improvementservice.org.uk/benchmarking/index.html

Customer results

Service's use various approaches to gather valuable information on how we are meeting the needs of our customers to inform service delivery and improvements. Services are constantly receiving customer feedback through surveys, complaints, comments, consultations, meetings with service users and from staff. This information provides valuable feedback, measuring customer satisfaction in services. It is a requirement that services gather and report customer results at least every 3 years.

Financial planning

Sound financial planning ensures that all the plans operate within the Financial Regulations and resource implications are reflected in all plans and that all plans do not exceed resources available.

Performance indicators

The Council uses over 300 indicators as a way of measuring how a service is performing against its objectives. They do not provide answers to why performance differences exist but help raise questions and identify areas where problems may occur. Performance information is central to any effective performance management system. If you do not know how well you are doing then it is impossible to know how best to refine your policies and activities to further improve them.

There are different categories of indicators needed to address different questions –

Input indicators	What resources are used to deliver the service? (e.g. employees, equipment, buildings, money)
Process indicators	Is the Council doing what is required to achieve the desired output? Are we on track to meet targets?
Output indicators	What level of service is being provided? How many units of service are being delivered?

Outcome indicators	What is the impact of this service? Is the Council achieving its objectives? Does the problem that led us to adopt this objective still exist?

Performance indicators can be set nationally or locally and departments are responsible for monitoring and reporting on these using the Council's performance management system, Covalent to departmental management, service committees and to the public.

A review of indicators and targets is undertaken annually.

Risk management

Services use this process to determine the likelihood of identified risks materialising and the severity of their consequences if they do materialise after action to mitigate the risk as far as possible has been taken. Risk registers for all council services are updated annually.

Self assessment

Self assessment is designed to ensure that all services identify their strengths and areas for improvement which will inform our annual planning and improvement activities. It helps identify and understand the gaps in service and looks at how these can be resolved. The Public Sector Improvement Framework (PSIF) is based on the European Foundation for Quality Management (EFQM) self assessment model identified by the Council as one of the management tools to assist in continuous improvement although some services use alternative models.

Self assessment should be carried out annually and before Team Plans are reviewed and revised so that any identified improvements can be incorporated into the Plan.

Public Performance Reporting

The Accounts Commission, under the Local Government Act 1992, directs all Council's to publish a range of information, sufficient to demonstrate that it is securing Best Value.

Public Performance Reporting is about providing accurate, balanced and timely information to the right people at the right time. The information should clearly identify the quality of service being delivered, allow readers to make informed decision about services, enabling them to contribute to decisions about standards of service and to challenge performance in the interests of future service improvement.

Each department is responsible for their own public performance reporting. An overarching council wide report is produced annually.

Public performance reporting allows the Council to report performance in an open and accountable manner, balanced with both good and poor areas of performance. The information should be provided in context and should highlight what we will do in the future to improve our current performance.

The Council's Performance Reporting web pages present the layers of covering Community Planning, Corporate and Service performance.
http://www.moray.gov.uk/moray_standard/page_1277.html

Further information, if required, can be obtained by contacting the Council's Corporate Policy Unit.