

A REPORT OUTLINING

The development of an outcome-focused Performance Management Framework

27 June 2012

Newcastle-under-Lyme
Borough Council



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1. Introduction and Background

1.1 Context – links to our previous work

This report outlines the work that we carried out in June 2012 to assist you in developing a new, outcome-focused Performance Management Framework (PMF). It builds on work that we did when we were with the Audit Commission in autumn 2011. In our autumn report we made a number of recommendations suggesting how your PMF could be improved. The central recommendation was that you needed to do more to measure the impact activities were having on the local area – in other words, to be able to report on whether outcomes were being achieved, rather than simply reporting on outputs or activities that were being undertaken.

1.2 Scope of work

Following on from the 2011 work, you commissioned us to develop a detailed PMF which would allow you to measure and report the outcomes that your activities were having on local people. More specifically, you agreed we would:

- provide you with a draft performance management framework to consist of a series of indicators and actions against each of the outcomes in your 2012/13 Corporate Plan;
- engage with a selection of your senior managers to ensure that they are aware of, and buy-into, the new developing framework;
- provide you with a draft template for reporting against your outcomes ;
- advise you on how to link the framework to other issues such as your emerging strategies on community safety and health and wellbeing, your liaison with the County Council about shared outcomes and your own partnership working; and
- provide you with the best advice and support that we can, based on our understanding of best practice in this area.

1.3 Purpose of the Performance Management Framework

One specific aspect of this work that we agreed with you is that the PMF should relate purely to *your* priorities and desired outcomes in *your* corporate plan. In other words, what we have not done is to develop a PMF for the broader public sector partnership in the borough. The latter piece of work would be a useful addition to your current approach to partnership working, and could, no doubt, be developed out of your own PMF, but this is a separate and distinct project which we have not addressed here. We have, however, discussed this with your officers, as well as with relevant officers at Staffordshire County Council.

2. Detailed Report

2.1. Corporate Plan and Desired outcomes

Our starting point for this work, in terms of the highest level of the PMF, was your existing priorities and desired outcomes as set out in your corporate plan. In our view, although we have used the desired outcomes to develop your PMF, they are in need of improvement as they do not consistently describe improved outcomes/impact. An improved set of desired outcomes would provide a more robust basis on which to develop a series of indicators and projects.

2.2 Linking the Framework to the Corporate Plan

In our view, you need to ensure that all of your activities and all of the measurement you undertake, is linked to your priorities and desired outcomes. This is equally true of mainstream services which are measured by performance indicators as well as projects, programmes and activities set out in your various strategies and plans. Inevitably, given that this proposed, new PMF is not being developed in isolation, there may need to be some retro-fixing of existing projects to ensure that they align to specific desired outcomes. However, once this has been done, all new projects and strategies should flow from the priorities and desired outcomes in the corporate plan.

2.3 The proposed new Performance Management Framework

In designing the draft PMF, we have merged some of the desired outcomes, with the result that there are now eighteen descriptions of the impact that you are hoping to have. Against each of these outcome statements, we have listed a number of potential performance indicators that you may wish to use to measure progress. Our approach has been to identify only those indicators that provide evidence of impact and outcomes, as opposed to indicators that provide merely information on activity or outputs. Where such outcome indicators are not available, we are suggesting one or more proxy measures which, when seen together, provide a reasonable overview of progress against the desired outcome.

This means that our suggested list of indicators includes a) some indicators that you have previously used, b) some new indicators which you may wish to use and c) some indicators that have previously been used which we're suggesting are not adequately outcome-focused. You may wish to continue to use this third category as part of your suite of management information to ensure that your managers can be confident that their services are being provided in an efficient and effective way.

It should be noted that we have deliberately proposed a larger number of potential indicators under each desired outcome. In our view the ideal number of indicators for each outcome is three or four and officers should use our suggested list of indicators to agree which smaller set to use.

We have set out, in appendix 1, an example page from the draft performance management framework. The full draft framework, covering all eighteen outcomes, has been provided to managers to develop and complete.

2.4 Accountability

One of the issues you asked us to address was the way in which your corporate plan is set out to show accountability for performance. We are recommending to you that you change the way in which you currently do this so that the PMF is organised around the desired outcomes, rather than portfolios, departments or services. Following on from this, we recommend that against each of the eighteen desired outcomes, you clearly identify both a cabinet member who is accountable, and a senior officer who is responsible for performance against the indicator. This identification needs to be in the corporate plan, the PMF and in performance reports.

2.5 Detail in the PMF

We have suggested a number of issues that need to be addressed against each indicator in the PMF. Firstly, we have given our view on the readiness of the data set suggested and an indication of the quality of this data. Managers need to check our comments and amend as necessary. Secondly, there is a column for benchmarking/comparison which is an opportunity for managers to indicate whether there is any current benchmarking or comparison activity taking place, or, if there isn't, some indication of what comparisons might be possible. Thirdly, there is a column where ownership of the individual indicator should be shown. It is crucial for the success of this new PMF that each indicator is owned by a named officer who, among other things, should ensure that the data is of good quality and that it is collected on time and in such a manner that aids reporting.

The fourth issue in the PMF is that of weighting. Our recommendation is that each indicator is designated as high, low or medium in terms of its usefulness in measuring impact against the desired outcome. As described below, this aids reporting and moves away from the traditional approach where all indicators are seen as equally important, which is obviously not always the case. Fifthly, we are recommending that the responsible officer for each indicator states how frequently the indicator should be reported. This will vary widely from, in some cases, weekly where performance is known to be problematic and variable from week to week, and annually where the impact that you make takes longer to take effect.

Finally, we are recommending that consideration is given to whether performance against the indicator needs to be disaggregated. Our view is that, in some cases, it would be useful for you to know the impact of its activities at a level that is more specific than the traditional borough-wide approach. For example, for some indicators, you may want to know the impact of your activities in specific communities, on different age groups, on men compared to women, on different ethnicities and on any other socio-economic group.

2.6 Surveys

In order to measure some of the outcomes we are recommending that you use a range of surveys to obtain qualitative information on the impact of your services. We recognise that running surveys has a cost implication and, therefore, we suggest that your decision on which surveys to use should be taken corporately, to ensure best use of resources.

2.7 Targets

One issue that was outside the scope of our work, but which you will need to address, is that of setting targets. The process of agreeing baselines and setting targets against each performance indicator for future years is one that should normally involve as many stakeholders as possible, ensuring that the targets are realistic but stretching. We have included, in our draft reporting template (see 2.8 below), a place for setting out current and future year targets.

2.8 Reporting

We have developed a draft reporting template for use when you report to Executive Management Team, cabinet and overview and scrutiny. We recommend that you develop a narrative approach to performance, informed by relevant data, to provide an overview of progress against your desired outcomes. The responsible officer for each outcome should review the data from both the performance indicators and from relevant projects, taking into account issues like weighting and disaggregation. On the basis of this review, a narrative should be produced which provides your decision-makers with a clear picture of performance, thus ensuring that you only consider key issues, with lower level management information left for discussion at management teams.

In addition to this narrative, you may wish to report the actual data related to each performance indicator and a rating of progress against each linked project. However, as this level of information might make higher-level, outcome-focused decisions more difficult, the Council may conclude that such data should be available if needed, but not routinely produced in reports to EMT and to cabinet.

We have set out, in appendix 2, our suggested reporting template.

2.9 Presentation of Framework

We have provided you (at appendix 3) with a suggested format which allows you to present your priorities, desired outcomes, performance indicators and projects in a consistent accessible way. You may want to use this approach in developing posters and other public information, as it provides the key, high-level information about your priorities and outcomes in a clear way for local people.

2.10 Notable Practice

In developing our recommendations for the PMF, the reporting template and the presentation document we have used our experience of working with a range of Councils in this area. More specifically, we have considered the improvements made in performance management by Staffordshire County Council, Staffordshire Moorlands District Council and Chesterfield Borough Council. We have provided relevant officers with the relevant contact details, should they want to discuss these examples in more detail.

2.11 Next Steps

If you agree our recommendations and approaches, we would suggest that the next key steps are as follows:

- your departmental management teams should decide which indicators to use from the lists we have provided;
- responsible officers should be identified for each performance indicator;
- these responsible officers should then inform EMT of how soon the indicators will be reported – in some cases this will be in Q2 of 2012/13, but in others a longer development period may be needed.
- the new framework would then need to be piloted to ensure that it provides decision-makers with the information they need
- following the implementation of the framework, you should consider agreeing that it should be reviewed after an agreed length of time – this would ensure that any ongoing issues are addressed as soon as possible

Appendix 1: Draft Performance Management Framework

Priority 1 Promoting a cleaner, safer and more sustainable borough.

Desired Outcome 1.1. Ensure high standards of safety and public health. Lead Member(s) xxxx, Lead Officer(s) xxxx

Performance Indicator	Rationale/Comments	Readiness /Quality	Benchmarking	Ownership (officer)	Weighting	Frequency	Disaggregation	Action Needed

Appendix 2: Draft Reporting Template

Outcome 1.1 Ensure high standards of safety and public health – Lead Member(s) xxxx, Lead Officer(s) xxxx

1. Overall Progress Report (narrative)

This part of the report summarises the key performance issues from the indicators and projects. It takes account of the weighting of the indicators and projects and provides a clear message on the extent to which the outcome has been achieved. Individual Outcomes could be RAG rated if desired.

2. Progress as measured by Performance Indicators

Ref	Indicator	Baseline (year)	2012/13 Target	High or Low	How often reported	Q1	Q2	Q3	Q4	RAG rating*	Weight	Comments

***RAG is the acronym for Red, Amber, Green.**

3. Progress as measured by Project Milestones

Ref	Project	Milestones	RAG Rating	Comments

4. Future Risks

Ref	Indicator/Project	Potential Risks	Mitigation

Appendix 3: Draft Presentation Template

Newcastle Borough Council – Performance Management Framework 2012/13

Priorities	1. Promoting a cleaner, safer and more sustainable borough	2. Promoting a borough of opportunity	3. Promoting a healthy and active community	4. Transforming our Council to achieve excellence
Our vision is to make the borough a better place to live, work and invest	We will improve the environment so that everyone can enjoy our safe, sustainable and healthy borough.	Will will work with our partners to maximise investment and encourage enterprise and employment – generating activities that will create opportunities for improving the wealth, prosperity and housing choices of our residents	We will work with partners to make sure residents and visitors are able to access a range of facilities and activities that will enable them to improve their health and quality of life.	We want to become a modern, streamlined, effective Council which delivers a range of excellent services that the public need. We will do this by working in partnership, wherever appropriate, to maximise the resources at our disposal.
Outcomes	1.1 Ensure high standards of safety and public health	2.1 Ensure a good range of housing is available	3.1 Provide high quality facilities for those who live, work, visit or study in the borough	4.1 Develop staff and members
These outcomes describe the improvements that we want to see	1.2 Ensure sustainable initiatives for the environment	2.2 Aim to reduce levels of worklessness through educational achievement and skills development	3.2 Promote cultural activity and participation in the arts	4.2 Delivering efficiencies and cost savings by ensuring that resources follow priorities and by improving procurement and other cost saving practices
	1.3 Ensure streets and open spaces are clean and clear	2.3 Promotion of economic growth in all service delivery	3.3 Promote healthy lifestyle choices, encouraging participating in sport and physical activity	4.3 Developing an improved scrutiny process
	1.4 Offer high-quality support to vulnerable citizens and victims of crime		3.4 Make the town centre more vibrant and attractive	4.4 Engaging with residents to ensure that services are provided, either by ourselves, in partnership with others, or by other organisations, which are more responsive to the specific needs of individuals and communities
	1.5 Achieving a thriving and safe evening and night-time economy across the borough		3.5 Building relationships so that people work together to solve local problems	4.5 High Performing services for all residents and customers
Measures				
We will know that we are achieving our outcomes by measuring the things listed here	Outcome 1.1	Outcome 2.1	Outcome 3.1	Outcome 4.1
		•	•	•
		•	•	•
	Outcome 1.2	Outcome 2.2	Outcome 3.2	Outcome 4.2
	Outcome 1.3	Outcome 2.3	Outcome 3.3	Outcome 4.3
	Outcome 1.4		Outcome 3.4	Outcome 4.4
Outcome 1.5		Outcome 3.5	Outcome 4.5	
Key Projects				
These projects will help us to deliver against our outcomes	P1.1	P2.1	P3.1	P4.1
	P1.2	P2.2	P3.2	P4.2
	P1.3	P2.3	P3.3	P4.3
	P1.4	P2.4	P3.4	P4.4
	P1.5	P2.5	P3.5	P1.5