



Performance Management Policy

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Summary

1. This policy is part of the corporate governance policy framework underpinning the Council's Strategic Plan, and sets out how the Council will ensure that performance is effectively managed to deliver strategic priorities for the town.
2. The following sections outline:
 - the purpose of this policy;
 - definitions;
 - scope;
 - the legislative and regulatory framework;
 - policy statement;
 - roles and responsibilities;
 - supporting policies, procedures and standards; and
 - monitoring and review arrangements.

Purpose

3. The purpose of this policy is to set out a corporate approach to performance management to ensure there is an effective, consistent and joined-up approach across the organisation.
4. This policy aims to:
 - ensure that a culture of proactive performance management is embedded within the Council;
 - ensure that a robust performance management cycle and associated processes are implemented consistently and proportionately across the Council, optimising performance; and
 - communicate the Council's approach to performance management to all employees and stakeholders.
5. The key principles of the policy are:
 - everything we do is geared towards achieving our strategic objectives;
 - all of our objectives will be SMART and interlink, from top to bottom;
 - all of our objectives will reflect agreed budgets;
 - we have up-to-date risk registers, setting out how will deal with threats;
 - we have up-to-date plans in place for all services, programmes and projects;
 - we have robust systems in place to monitor and report performance; and
 - appropriate benchmarking will inform everything we do.
6. Effective implementation of the policy will significantly enhance prospects of delivering the Council's strategic, tactical and operational objectives; continuous improvement in service delivery and continued compliance with legislation and the principles of good governance.

Definitions

Corporate governance	The systems, processes and values by which local authorities operate and by which they engage with, and are held accountable to, their communities and stakeholders.
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Performance management	Taking action in response to actual performance to ensure that objectives are achieved and to make outcomes for individuals and local communities better than they would otherwise be.
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Scope

- 7. This policy applies to all employees (both permanent and temporary), contractors and consultants working for or on behalf of the Council. It applies to all business units working for or on behalf of the Council.
- 8. In respect of partnerships and shared services, the performance management framework of the lead organisation will apply. Where this is not the Council, managers must ensure that arrangements are in line the key principles of this framework.

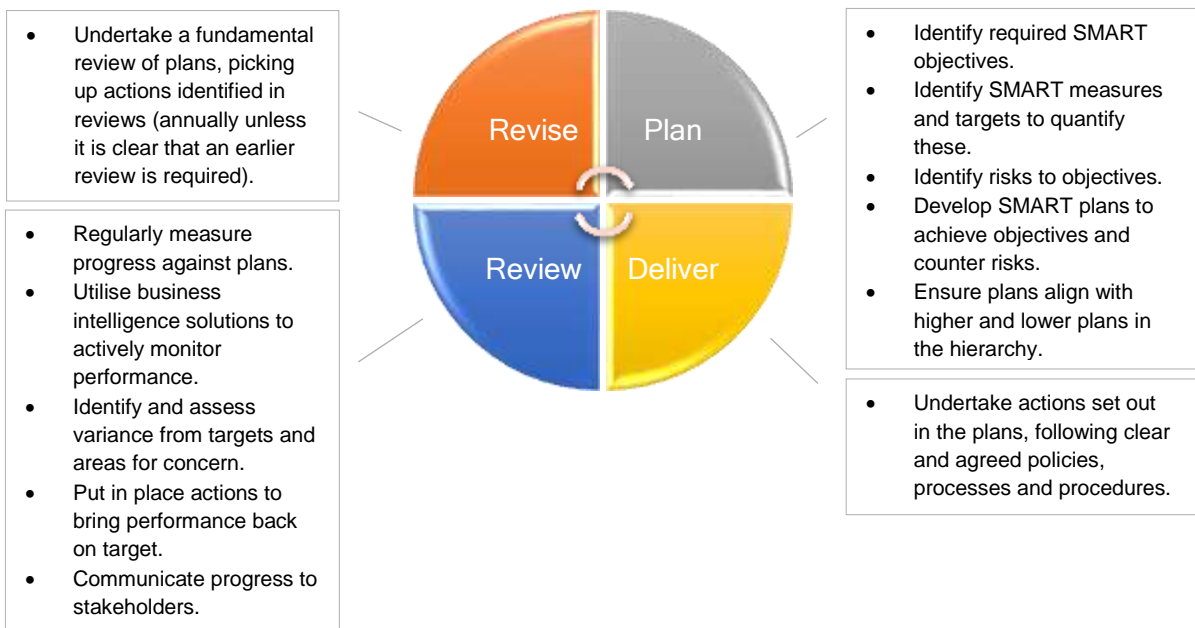
Legislative and regulatory framework

- 9. Key elements of the legislative and regulatory framework relevant to performance management are set out below.

Local Government Act 1999	General requirement on local authorities to achieve best value for money. Maintaining an effective performance management framework to maximise delivery of objectives and to continuously assess the economy, efficiency and effectiveness of both individual services and of the organisation overall, is the principal means through which the Council can demonstrate to its stakeholders that it is achieving Best Value, as required by the Act.
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Policy statement

- 10. The Council will maintain a performance management cycle based on best practice from across the public sector. The four step cycle of 'Plan-Deliver-Review-Revise', will apply at all levels of the organisation, and its key elements are set out in the following graphic.



11. The following sections outline expectations on how effective performance management will be achieved within the Council.

Plan

12. The purpose of the planning process is to:

- identify SMART (Specific, Measurable, Achievable, Relevant, Timed) objectives;
- identify SMART measures and targets to quantify these objectives;
- identify risks to achieving the objectives and opportunities to enhance them (to be addressed through the Council's Risk and Opportunity Management Policy);
- develop SMART plans to achieve the objectives and counter risks; and
- ensure that these plans align with higher and lower plans in the planning hierarchy.

13. The Council will maintain a clear planning hierarchy to demonstrate clear line of sight from top to bottom of the organisation, outlined in the graphic below.



14. The Elected Mayor of Middlesbrough will set out strategic priorities for Middlesbrough and its communities to be delivered in his / her term of office.

15. The Mayor's strategic priorities will be articulated within the Council's Strategic Plan, which is the Council's overarching business plan for the medium-term, and is refreshed on an annual basis. The Strategic Plan sets out how the Council will contribute to the Mayor's priorities, deliver other organisational priorities, and how its success will be judged.

16. The Mayor's priorities and the Strategic Plan are part of the Council's Policy Framework and will be approved by Full Council.

17. Each Directorate will develop a short Directorate Plan, mirroring the format of the Strategic Plan and demonstrating how the directorate contributes to strategic priorities, that will be communicated to each member of staff in that directorate.

18. The Council will implement a structured process to articulate for each of measure of success at both strategic and Directorate level:

- the metric to be used, the source of the data and how frequently this is updated;

- a proposed SMART step change target for the Strategic Plan period and associated per annum targets – this may include specific targets for different geographies or communities of the town;
 - which activity will contribute to the achievement of targets; and
 - what level of performance will be considered to be Red, Amber or Green.
19. Directorate plans must be outlined by the end of November annually, signed-off by the appropriate manager(s) and approved by the appropriate body by the end of March annually.
20. Planning below this level will demonstrate how services, teams and individuals contribute to the achievement of the Strategic Plan, and through this to the Mayor's priorities for Middlesbrough.
21. Formatting at this level is at the discretion of Directors and Heads of Service, however all managers are required to have a plan for their area of responsibility, which translates high-level objectives into management and individual employee action and performance targets, which can then be tracked through the Council's performance monitoring process. This could be a subset of the Directorate plan, or something more detailed, in line with business needs.
22. Responsibility for data quality and information governance lies with Information Asset Owners (Heads of Services) and their managers. The quality of data collected must be fit-for-purpose in relation to any decision-making it supports. Managers must understand the quality of the data they use, any limitations of the data and communicate issues to decision-makers as appropriate.

Deliver

23. This purpose of this step is to deliver as far as practicable the actions identified in plans in line with agreed intentions. Managers are required to deliver agreed plans in line with the Council's risk appetite i.e. at least 90% of business plan objectives and at least 75% of performance targets must be achieved annually.
24. Each Directorate will develop, monitor and deliver activity trackers that sets out how it will deliver:
- those strategic priorities set out within the Strategic Plan that are owned by the Directorate (either delivered directly or through other arrangements, including partnerships); and
 - Directorate-specific priorities to ensure the continuous improvement of services and compliance with legislation and the principles of good governance.
25. Directorate activity trackers will be used to develop a work plan that underpins delivery of the Strategic Plan.
26. Business-as-usual delivery must comply with agreed strategies, policies, standards and processes governing the service(s) or function(s). The Council has a minimum standard to which services must adhere when developing strategy and policy.
27. Programme and project delivery (business change) must comply with the Council's Programme and Project Management Policy.

28. Managers are required to establish continuous internal monitoring mechanisms to ensure effective delivery of both business-as-usual and business change. This will include 1:1s, team and project meetings at appropriate frequencies.

Review and Revise

29. The purpose of these steps, which are often taken together, is to on a periodic basis measure and assess progress against plans, identify areas for concern, explain any variance and outline actions to bring progress back to plan as far as practicable.

30. A critical aspect here is that actual performance, including highlights and plans to address and issues identified, is properly communicated to stakeholders, including elected members, staff and local residents.

31. Business intelligence dashboards will be implemented across Directorates as part of the Council's Digital Strategy and routinely used by services to manage performance, forecast future events and drive decision-making.

32. Directorate performance management arrangements will be standardised to allow tracking of delivery of the Strategic Plan by Leadership Team on a monthly basis and corrective action as appropriate.

33. Executive Members will report on the progress of activity supporting the delivery of the Strategic Plan in their monthly updates to Council.

34. A short quarterly performance report will be presented to the Executive to provide a summary of:

- performance against the priorities and key measures of success set out in the Strategic Plan (including the performance of partnerships);
- performance against the Council's revenue and capital budgets, outlining key variations and requesting approval for variations and other changes that are the responsibility of the Executive;
- the Council's borrowing and reserves position; and
- the Council's strategic risk register.

35. The same report will also be considered by the Council's Overview and Scrutiny Board.

36. Following this, a summary of performance communicated to staff and local residents through the Council's website and social media accounts, and other mechanisms as appropriate.

37. Performance reports and supporting data will be continuously updated on the Council's Open Data portal.

38. Medium-term plans will be reviewed and revised in greater detail on an annual basis, unless in-year performance suggests that urgent changes are required.

Roles and Responsibilities

Executive	Overall responsibility for performance management across the Council, including agreeing the performance management policy, developing the Strategic Plan, and ensuring that organisational performance is managed, monitored and reviewed regularly.
Corporate Affairs and Audit Committee	Review the effectiveness of performance management policy and receive an annual assurance report on progress being made.
Elected Members	Agree the Mayor's priorities for Middlesbrough and the Council's Strategic Plan (as Council) and scrutinise service performance in line with this policy.
Chief Executive and Leadership Team	Lead and coordinate performance management corporately, ensuring that the Council fully complies with all corporate governance requirements.
Executive Directors and Directors	Own and manage Directorate Plans, and ensure that this policy is implemented within department and directorates and that Business Intelligence solutions are deployed and utilised effectively to drive performance improvement.
Strategy, Information and Governance Service	Supports the Executive and Leadership Team to provide challenge, ensuring that the right outcomes are being measured and targets are set at an appropriate level. Works with services to deliver effective business intelligence across the Council and coordinates monthly and quarterly monitoring of workplan underpinning the Strategic Plan.
Internal Audit	Ensures that internal controls are robust and operating correctly and audits the key elements of the performance management process.
Heads of Service	Adopt a proportionate approach to service planning, and ensure that this policy is implemented within services and teams, including the identification and recording of steps required to deliver agreed performance targets.
Middle Managers	Promote a culture of effective service delivery and be accountable for service performance.
Frontline Managers	Contribute to service planning and manage day-to-day performance.
All employees	Understand the level of personal performance that is expected and deliver on this. Ensure data is entered accurately and in a timely manner.

Supporting policies, procedures and standards

The following policies, procedures and standards will be implemented across the Council to support effective performance management practise.

Business Change Framework	Sets out a framework for the identification, planning, delivery and evaluation of business change activity within the Council.
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Information Governance Framework	Sets out a framework for effective information governance within the Council, meeting all legal obligations and underpinning the achievement of strategic objectives.
Risk and Opportunity Management Policy	Sets out how the Council will ensure that risks are effectively managed and opportunities exploited to maximise delivery of strategic objectives, fully integrated with performance management arrangements.
Partnership Governance Policy	Sets out the Council's approach to developing and managing partnerships to ensure that their contribution to strategic aims and priorities are maximised.
Project and Programme Management Policy	Sets out how the Council will manage its portfolio of programmes and projects to ensure delivery to scope, cost, time and quality.
Project and Programme Management Framework	Provides more detailed guidance and templates to be used within the life cycle of programmes and projects.

Monitoring and review arrangements

39. The Council's expectations around performance management are clearly set out within its corporate values and associated staff performance frameworks.
40. All managers and employees are required to comply with this Performance Management Policy to ensure that the Council effectively manages performance in pursuit of its strategic objectives. Managers and employees will be provided with a range of resources, and where appropriate, training, to support the effective implementation of this policy.
41. An annual assurance report on the Council's performance management arrangements will be submitted to Corporate Audit and Affairs Committee. This will be supported by a targeted internal audits as appropriate, which will be listed in the Council's annual audit plan.
42. The implementation and effectiveness of this policy and its supporting procedures will be reviewed on a quarterly basis, using the following metrics:
- availability of plans against corporate profile and timetable;
 - availability of information to support monthly tracking;
 - completion rate of monthly tracking;
 - proportion of business plan objectives on target to be completed in time; and
 - proportion of key performance targets projected to be achieved.
43. This policy will be reviewed every three years, unless there is significant development that would require a more urgent review e.g. new legislation.