



# PERFORMANCE MANAGEMENT AT ROCHFORD DISTRICT COUNCIL

**A Guide for Members and Managers  
December 2011**



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This document has been produced for Members and Managers at Rochford District Council to give details of the performance management framework operated by the Council.

Additional guidance for Managers is contained in Annex 2 and 3.

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## 1. Introduction

Performance management is important because:

- *If you don't measure results, you can't tell success from failure*
- *If you can't see success, you can't reward it*
- *If you can't reward success, you're probably rewarding failure*
- *If you can't see success, you can't learn from it*
- *If you can't recognise failure, you can't correct it*
- *If you can demonstrate results, you can win public support*
- *What gets measured gets done*

“Reinventing Government”, Osborne and Gaebler

## 2. The Member's Role

The Member's role is vital in helping to drive up performance. You can do this in a number of ways:

- Setting or scrutinising strategic direction, priorities, non-priorities and budgets
- Monitoring performance – using the reports received to get a better picture of how well we are doing. Such reports will include:
  - Performance Reports to the Executive
  - Reports to Committees
  - Portfolio Holder Reports
  - Budget Monitoring Reports
  - Progress on Decisions etc.
- Challenging performance – asking questions about current performance and improvement plans, understanding how we compare to the best performing Councils etc.
- Using local knowledge to draw out the bigger picture from constituent enquiries, complaints, compliments, casework, surgeries and so on
- Participating in service reviews.
- Confirming that adequate systems are in place to manage performance, risk and resources by reviewing and challenging Internal and External Audit reports.
- Utilising the scrutiny and call in powers provided by the Council Constitution and Rules of Procedure.
- Work undertaken by the Review Committee.

How this works in practice:

### Example 1

- An adverse performance trend is noted from the Performance Report to the Executive and Members ask for an explanation of the reasons why and what corrective action is being taken.
- The relevant Portfolio Holder and/or Officer provides the explanation required and this is accepted, or perhaps further information or assurances are sought.
- Additional information maybe added to the regular reports, or more frequent reporting set up, to monitor performance more closely until the performance improves.

## Example 2

- Persistent poor performance is noted and corrective action does not seem to be having the desired effect.
- Other evidence (e.g. feedback from residents) suggests that a more in depth review of the performance is required.
- The performance issue is referred to, or taken up, by the Review Committee which may conduct its own investigation encompassing additional data such as benchmarking with other councils' performance, or evidence of successful good practice from elsewhere.
- Review Committee then recommends appropriate action to the Executive or relevant Portfolio Holder(s), and maintains a watching brief until performance has improved.

### 3. What is Performance Management?

There are many definitions of Performance Management, but it has been defined as:

*“Taking action in response to actual performances to make outcomes for users and the public better than they would otherwise be”*

Performance Management, Measurement & Information Project  
Audit Commission/IDeA  
(IDeA - Improvement & Development Agency)

To effectively manage performance, Members, managers and employees must be able to demonstrate that there is:

- A systematic approach to deciding and communicating what needs to be done (aims, priorities and targets)
- Plans to ensure that it happens (Corporate and Divisional Plans)
- Some means of assessing if this has been achieved (performance measures)
- Information reaching the right people at the right time (performance monitoring and reporting) so that decisions are made and action taken
- Review by Senior Management, Line Management and Members.

### 4. What are the characteristics of effective performance management?

The following have been identified the following as characteristics for effective Performance Management:

- A clear vision and purpose and a focus on outcomes
- Commitment to, and enthusiasm for, realising the community's aspirations
- Effective democratic and community engagement
- Robust planning, monitoring and review systems
- Strategic and enabling corporate management arrangements

This will be supported by:

- Real-time, regular and accurate performance data
- A “can-do” culture inspired by strong leadership
- Agreed lines of individual accountability
- Clear performance management review, combining challenge and support

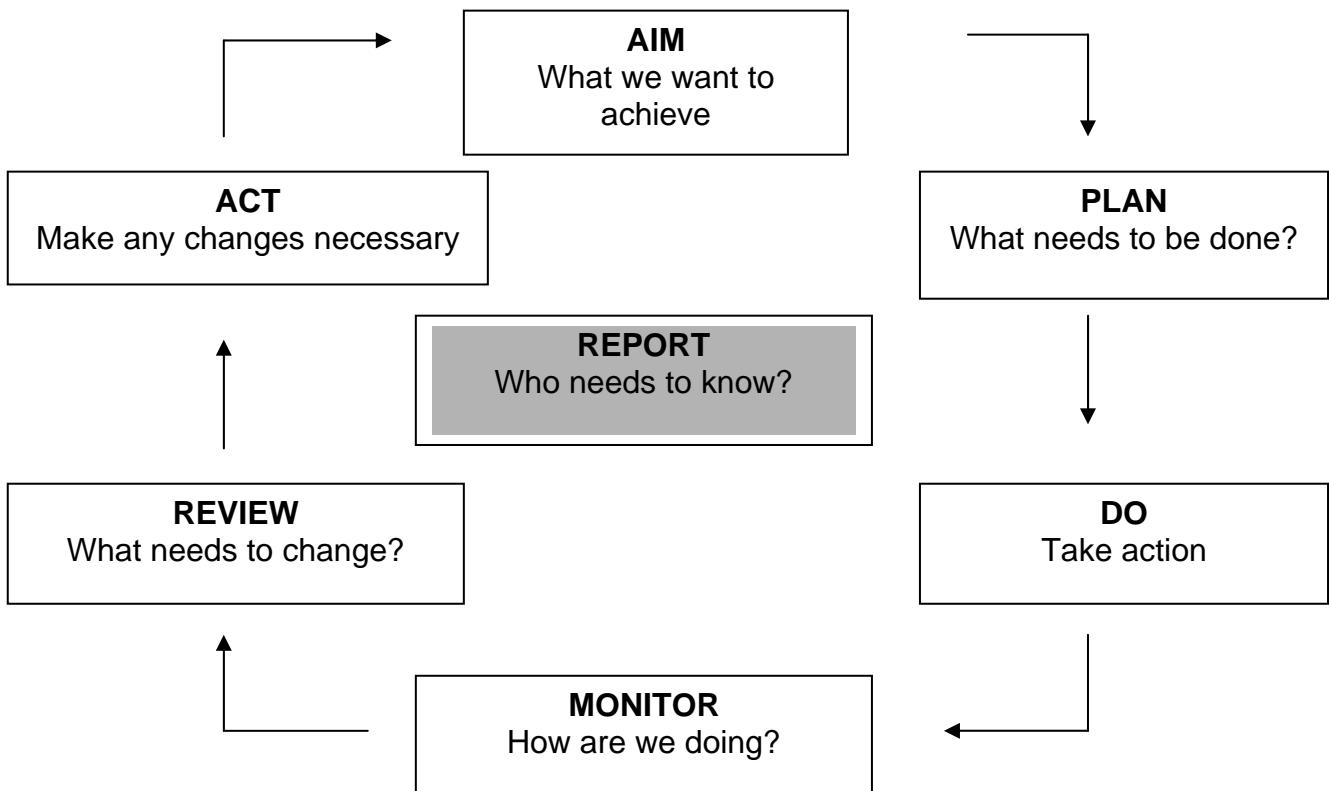
If successful, performance management will ensure that the community, organisation and team goals are achieved. It helps to:

- Prioritise what gets done and ensures there are sufficient resources to do it
- Ensures the authority provides value for money
- Motivates and manages staff
- Identifies and rectifies poor performance at an early stage
- Learns from past performance and improves future performance
- Increases user and public satisfaction

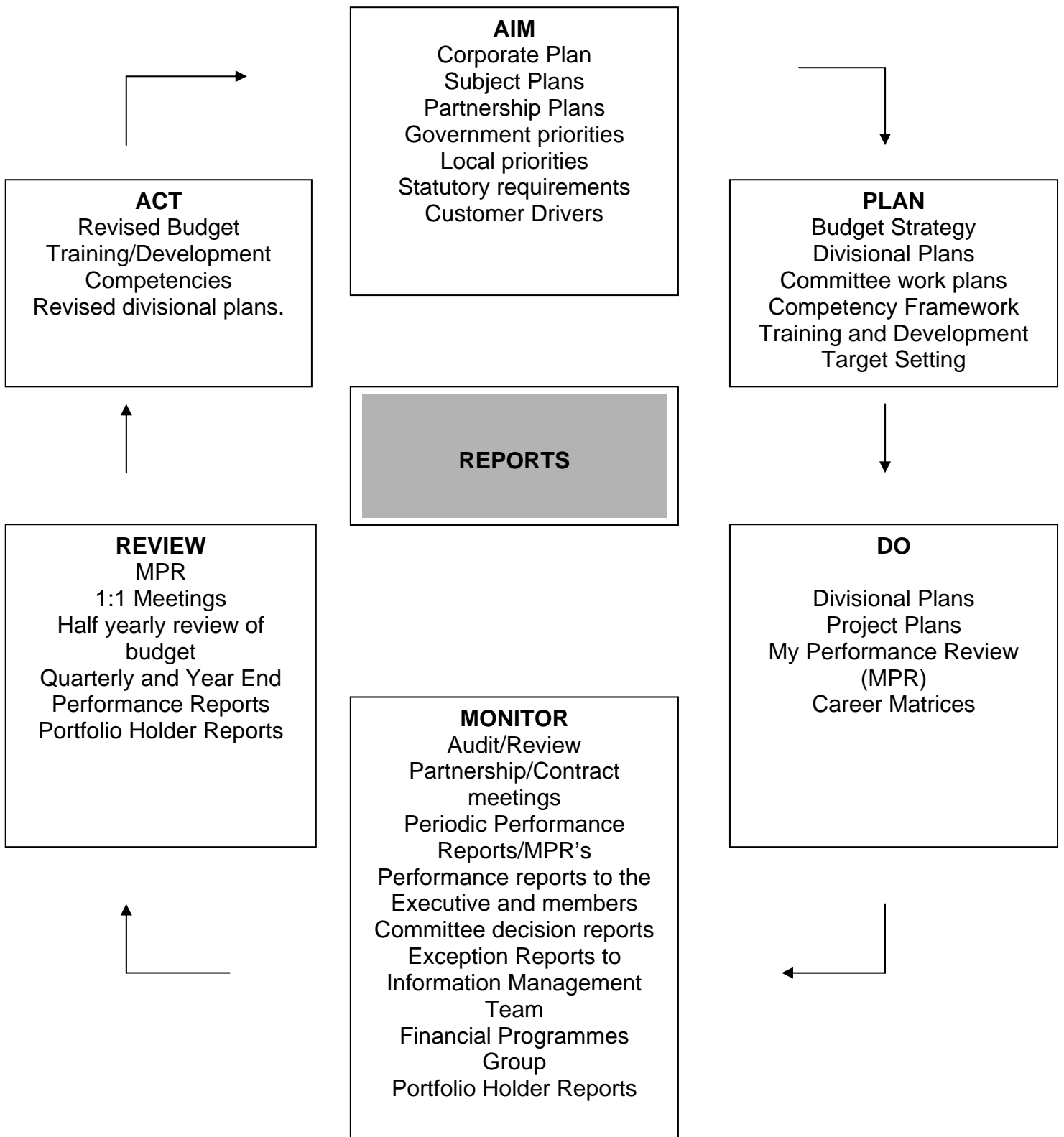
Effective performance management requires a co-ordinated approach to planning and review, to enable key decision makers, both political and managerial, to take action based on both facts about performance and the public perception of performance, encompassing consultation with service users and residents.

In practice there need to be 7 elements to enable this to be carried out effectively, and these need to be integrated into a performance management framework thus:

### Corporate Performance Management Framework

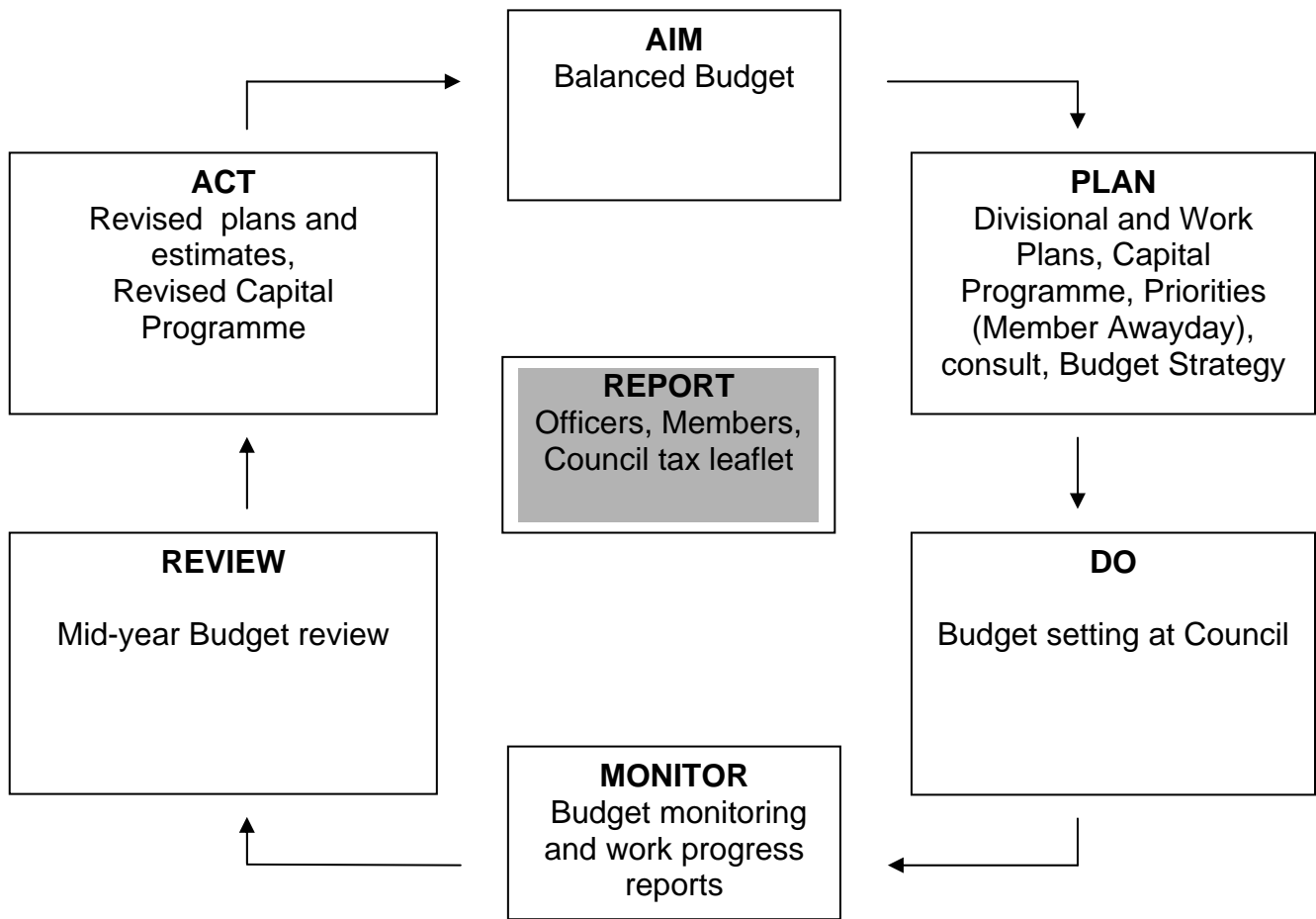


For Rochford District Council the framework looks like this:

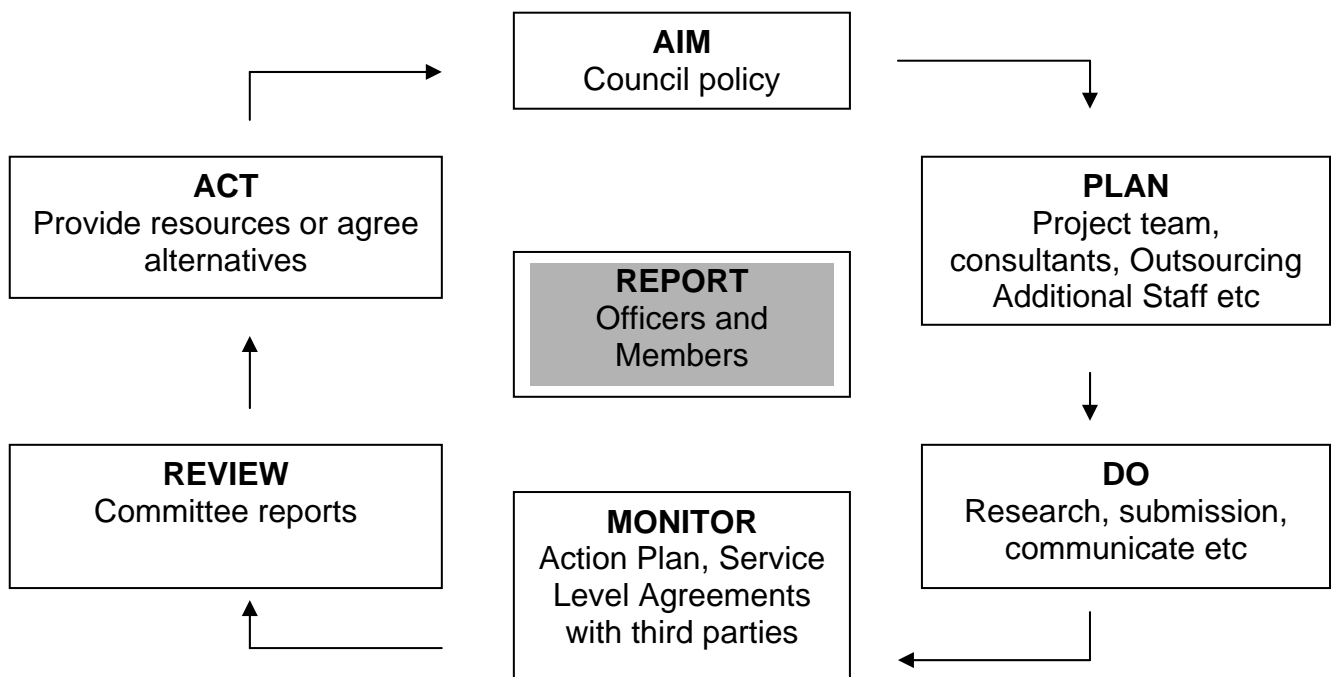


These elements can also be applied to either annual processes or individual projects as the following example diagrams illustrate:

**Annual Process – Medium Term Financial Strategy**



**Specific Project – e.g. Climate Code Policy**



## **5. What are the Building Blocks of our Corporate Performance Management Framework?**

### Corporate Plan

The current Corporate Plan was produced in April 2011 and identifies the Council priorities and targets for the short to medium term.

The Council's vision is "to make Rochford District a place which provides opportunities for the best quality of life for all who live, work and visit here" and has the specific aims of:

- Making a Difference to Our People
- Making a Difference to Our Community
- Making a Difference to Our Environment
- Making a Difference to Our Local Economy

In addition to its aims, the Council has the following values that guide its day-to-day working:

- Be an open, accountable, listening, responsive Council
- Put the customer and citizen at the heart of everything we do, delivering services in a caring and sensitive manner
- Coordinate the management of resources with an emphasis on sustainability
- Value the contribution of partners, employees and citizens, trusting each other and working collaboratively

The Corporate Plan is reviewed and refreshed annually.

### Local Development Framework (LDF) and Neighbourhood Planning

The Local Development Framework (LDF) provides the strategy and framework for future development within the District. It comprises a project plan for the preparation of LDF documents, a Statement of Community Involvement (SCI), various Development Plan Documents (DPD's) including the Rochford Core Strategy DPD and the Site Allocation DPD, and Supplementary Planning Documents.

The Rochford District Core Strategy is the key planning document for the District. It sets out how the District will develop over the next 15 years, addressing issues such as housing, employment, town centre enhancements, and the environment, etc.

Rochford District's Core Strategy has been found sound by the Government's Planning Inspectorate and has been adopted by the Council. Additionally, the new Localism Act provides for communities (residents, employees and businesses) to produce neighbourhood plans which further define the location and nature of development.

### Specific Subject Plans

These are plans aimed at the achievement of specific objectives that sit within a key theme, examples include: the Climate Code Strategy and Action Plan; the Economic Development Strategy; the ICT Strategy; etc.

### Partnership Plans

There are a number of medium term plans that are agreed in partnership with other agencies, which will impact on the Council, for example the Community Safety Partnership Action Plans.

### Medium Term Financial Strategy (MTFS)

The Medium Term Financial Strategy follows from the Corporate Plan and shows how resources will be allocated to delivering and improving services and to achieving the Council's aims. Service priorities are considered each year as part of the budget setting process. Members also highlight their priorities for incorporation in the budget, through a series of focussed 'away day' sessions.

### Annual Report

The Annual Report is produced in tandem with the Annual Accounts and includes reference to our performance for the previous 12 months.

### Divisional Plans

Plans are produced for each of the Council's divisions and are further specified for each Service as necessary. They set out annual aims and targets, which are aligned, to the Corporate Plan. Risk assessment is applied to help inform priorities and manage risk. The Plans also identify the resource requirements of actions. Initial drafts are produced in October of each year and are then finalised once the budget has been set.

### Monitoring of Decisions made by the Council, the Executive or Portfolio Holders. (Progress on Decisions Reports)

Notices of the decisions taken by each of the above are provided to Members and the progress against these decisions is monitored by the Executive and minuted accordingly.

### Performance Indicators

Performance indicators are the basic tools of performance measurement, which show how well we are progressing towards achieving our goals.

From April 2011 onwards, there are 2 principal types of performance indicators:

- Indicators which are to be reported to Central Government, as part of their reduced Single Data List, which supercede the previous National Indicators
- Local indicators including some former National or Best Value Performance Indicators which reflect Rochford District Council's local priorities and management information needs

As well as measuring our own achievements, performance indicators allow us to assess how well we are doing in comparison to other organisations that use the same indicators. The use of performance indicators and our approach to performance reporting are further detailed in the Annexes to this guide.

### Management Review of Performance

Quarterly Performance reports are provided to Improvement Management Team (IMT) who review performance and can initiate action with Line Managers or escalate issues to Senior Management Team (SMT) as required.

Exception Reports which highlight deviations from expected performance are provided to IMT who review these and take action as required.

Line Managers review performance in team meetings and 1:1 meetings. Reports to Portfolio Holders are discussed between Officers and Members with the responsibilities for that area.

### My Performance Reviews (MPR)

Between April and July each year, every employee will have a My Performance Review interview conducted with reference to the Rochford District Council Competency Framework. During the interview, aims, targets and training needs will be agreed at an individual level for the next 12 months. These should contribute towards achieving service or corporate aims. A half yearly formal interview also takes place to assess progress and identify any issues arising.

In addition to the MPR process, team meetings and other performance review mechanisms reinforce what needs to be done and measure the progress towards agreed goals.

### Targets

Targets are primarily set in the form of either, completion dates for projects, or the required levels of performance against a variety of indicators. Indicators may be designed to act as measures for operational management purposes, or to define the required outcomes for our customers.

The setting of targets is part of the Business Planning cycle commencing in the Autumn each year and targets are refined during the planning process taking into account the current, and predicted, levels of performance, resource commitments and the expressed wishes of Portfolio Holders/Members.

A target challenge by the Performance Management team takes place in December and again in March when targets are finalised once budgets have been set.

Changes to targets are permitted, when justified, but must be agreed in accordance with the following table:









<b>Target to be changed:</b>	<b>Approved by:</b>
Project completion date or outcome	Chief Executive / Project Board *
Project Milestone which will change the completion date or impact on activities outside immediate service area	Chief Executive / Project Board / Senior Management Team (SMT) *
Project Milestone not affecting completion date or activities outside immediate service area	Project Manager
Performance Indicator Target - Year end	Chief Executive/ Head of Service *
Performance Indicator Target - within in year target (monthly/quarterly etc)	Head of Service or delegate
Customer Outcome measure	Chief Executive /Portfolio Holder/ Head of Service *
Operational Management measures with effects beyond service area	Chief Executive /SMT
Operational Management measures effects confined within service area	Head of Service or delegate

Officers will ensure that target changes are discussed with the relevant Portfolio Holders/Members as appropriate.

All changes to targets must be notified to the Performance Management team as soon as they are agreed.

\* - Where a key project or performance target contained within the Corporate Plan is changed, this must be discussed with the relevant Portfolio Holder prior to the amendment. The Executive and other Members will be informed of the change and the reasons for the change via the commentary in the Quarterly Performance Report to Members, and, if appropriate, as otherwise decided by the relevant Portfolio Holder.

**6. How do these building blocks fit together?**

<p><b>PERFORMANCE INFORMATION</b></p> <ul style="list-style-type: none"> <li>• Is used to inform all elements of the performance management framework</li> <li>• Consists of a range of national and local performance indicators etc as well as various plan/programme progress reports, and Progress on Decisions reports</li> </ul>	<p><b>CORPORATE PLAN</b></p>		<p>Sets out a medium term vision for Rochford District Council and outlines aims and priorities. Updated annually and subject to full review every 3 years</p>
	<p><b>LOCAL DEVELOPMENT FRAMEWORK AND NEIGHBOURHOOD PLANS</b></p>		<p>A set of policy documents and plans which provide the development guidelines for the Rochford District</p>
	<p><b>SUBJECT PLANS</b></p>		<p>Plans aimed at the achievement of specific objectives within key themes, examples include: the Climate Code Strategy and Action Plan; the Economic Development Strategy; the ICT Strategy; etc.</p>
	<p><b>PARTNERSHIP PLANS</b></p>		<p>Medium term plans which impact on more than one organisation, an example being the Crime Reduction Strategy</p>
	<p><b>MEDIUM TERM FINANCIAL STRATEGY</b></p>		<p>Medium term plan showing how the Council's resources are to be allocated</p>
	<p><b>ANNUAL REPORT</b></p>		<p>Produced annually, reports achievements and performance</p>
	<p><b>DIVISIONAL PLANS</b></p>		<p>Sets out annual plans and targets for individual services, which are aligned to the resources available</p>
	<p><b>MY PERFORMANCE REVIEW</b></p>		<p>Sets out annual objectives for individual employees and highlights training needs, which are aligned to the service's aims</p>

## 7. Annual Business Planning & Performance Management Cycle

September	<ul style="list-style-type: none"> <li>• First Quarter Performance reporting for current year</li> </ul>
October	<ul style="list-style-type: none"> <li>• Draft Divisional Plans produced for next year</li> <li>• Members and Senior Management Team begin to discuss corporate priorities for the coming year and budget options</li> <li>• Preparation of Estimates</li> </ul>
November	<ul style="list-style-type: none"> <li>• Second Quarter Performance reporting for current year</li> <li>• Member Budget Away day for next year</li> </ul>
December	<ul style="list-style-type: none"> <li>• Preparation of Medium Term Financial Strategy for next year</li> <li>• First Target Challenge for next year</li> </ul>
January	<ul style="list-style-type: none"> <li>• Member Budget Away day</li> <li>• Budget Setting Council</li> </ul>
February	<ul style="list-style-type: none"> <li>• Third Quarter Performance reporting for current year</li> <li>• Council Tax setting for next year</li> </ul>
March	<ul style="list-style-type: none"> <li>• Finalise Divisional Plans for next year</li> <li>• Finalise Target Setting</li> </ul>
April	<ul style="list-style-type: none"> <li>• Finalise Corporate Plan for year commenced</li> <li>• Begin My Performance Reviews for the financial year now ended and agree officer objectives for year commenced</li> </ul>
May	<ul style="list-style-type: none"> <li>• End of Year Performance reporting for previous financial year</li> </ul>
June	<ul style="list-style-type: none"> <li>• Approval of Annual Accounts for previous financial year</li> </ul>
July	<ul style="list-style-type: none"> <li>• Complete My Performance Review for current year</li> <li>• Publish Annual Report</li> </ul>
August	<ul style="list-style-type: none"> <li>• Initial consideration of the planning cycle for next year</li> </ul>

## **Annex 1 – Performance Reporting**

### Performance Indicators

From April 2011 onwards, there are 2 principal types of performance indicators:

- Indicators which are to be reported to Central Government, as part of their reduced Single Data List, which supercede the previous National Indicators
- Local indicators including some former National or Best Value Performance Indicators which reflect Rochford District Council's local priorities and management information needs

### Performance Reporting and Performance Management

It is important to recognise that the management of performance is different from the reporting of performance.

Performance reporting is required to ensure that those who are accountable for performance and those who are service users are kept informed about service delivery and standards.

Performance management is much more about early identification of any deviation from targets by managers so that corrective action can be taken. Whilst both reporting and management may utilise similar information, the timescales for reporting are less immediate than those for management.

### Members' Priorities

Each year, following the Budget Process, Members Priorities are set out in a document entitled Key Policies and Actions. From this document, Council officers propose to the Executive Board those measures and projects which are to feature in the quarterly performance report to Members which will include:

- Key Projects and Service Developments
- Relevant performance statistics

### Availability of Performance Reports

In addition to the Quarterly Performance Reports to Members, comprehensive information on all performance indicators is available on request or via the Council's intranet and public website.

The Quarterly Performance Reports to Members are the primary elements of our performance management framework and are based on providing information to meet Members' expressed information requirements. Each report may also contain an Exceptions Report for any exceptional performance outside of the regularly reported results.

## **Annex 2 – The Manager’s Role in Performance Management and Reporting**

### **Performance Management**

The success of the Performance Management System as defined in this guide is crucially dependent on the role played by Heads of Service and line managers in its implementation and utilisation.

Managers’ key tasks within the Performance Management System are to ensure that:

- Divisional Plans are produced on time and are complete, comprehensive, and appropriate to the service(s) being provided
- Risks are identified and documented within the Divisional plans and Division’s Operational Risk Registers
- Risks are managed and mitigated as far as is reasonable and in line with the Corporate Risk Policy and Framework
- Divisional Plans and Risk Registers are regularly reviewed and updated as circumstances changes.
- Service standards are agreed and documented, and these are informed by consultation with users as appropriate.
- Performance indicators and objectives are established to reflect national and local priorities and to provide key management information for services
- Performance is monitored regularly (daily, weekly, monthly, quarterly) as appropriate to the service provided and reviews can be evidenced.
- Performance is reviewed with individual members of staff as required by the needs of the service, and as part of the My Performance Review (MPR) process.
- Timely and accurate performance reports, commentaries on performance, and performance data are produced to enable reporting to senior management, Council Members, government, partner organisations and other external bodies
- Issues which may prevent an objective or required standard of service being achieved are appropriately escalated
- Internal and external auditors are provided with data to evidence achieved performance as may be required.

### **Performance Indicators and Reporting**

From April 2011 onwards, there are 2 principal types of performance indicators:

- Indicators which are to be reported to Central Government, as part of their reduced Single Data List, which supercede the previous National Indicators
- Local indicators including some former National or Best Value Performance Indicators which reflect Rochford District Council’s local priorities and management information needs

The process for reporting performance information is geared towards the following aims:

- Annual (and other frequency) reporting of indicators to government (primarily to the DCLG)
- Publication of agreed performance targets within business plans
- Quarterly, and Year-end reports to Members and the Senior Management Team (SMT) and any Exception Reports and Portfolio Holder Reports
- Reporting to partner organisations
- Ad hoc reporting and analysis as maybe required.

Data collation for regular reports to Members, Portfolio Holders and SMT is undertaken by the Audit and Performance Management Team.

Data collection for these regular reports is organised via the submission, from departmental secretaries, of performance data and managers' performance commentaries to the Performance Management System (CorVu system.)

The timetable for the reporting of performance data to the performance management system is published annually by the Audit and Performance Management Team and is available on the Audit and Performance Management Intranet page.

[Link to Audit and Performance Intranet Page](#)

Updated Performance Reports to Members and Departmental Performance Reports can be accessed via the Performance Portal on the Intranet at My Place\Performance Portal.

[Link to the Performance Portal \(Intranet Page\)](#)

### **Annex 3 – Overview of the CorVu System for PIs and Projects**

CorVu (pronounced Cor-View) is the Council's performance management system that has replaced the Data Capture System. The CorVu System is made up of 4 modules: CorStrategy, CorProject, CorBusiness and CorPortfolio.

- CorStrategy is a database of Performance indicators (PI), their targets and the values of the pieces of information used to calculate indicators for the reported periods: Monthly, Quarterly and Yearly.
- CorProject is a database of Projects and their Milestone Start Date, Due Date, Completion Date and Status for the reported periods: Monthly.
- CorBusiness is a reporting tool that uses data within CorStrategy and CorProject to produce performance information.
- CorPortfolio is a publishing tool that can format the CorBusiness information into reports such as Department Reports or the Quarterly Performance Report to Members and provide reports to the Intranet and website.

CorVu users are either an:

- Updater: Responsible for entering performance data with the option of adding commentary for the service area.
- Owner: The Manager of the PI or Milestone with the ability to enter performance data and commentary for the service area.
- Escalation Owner: Head of Service with the ability to enter performance data and commentary for the department.

Updaters and owners of Performance Indicators and Milestones will have access to CorStrategy and CorProject. CorBusiness and CorPortfolio are the responsibility of the Administration Team.

From June 2010, Updaters have been entering their PI data via email into CorStrategy instead of the previous Data Capture System.

From July 2011, Updaters have been entering their Milestone performance data via email into CorProject instead of the Data Capture System.

Owners and Escalation Owners are able to access CorStrategy and CorProject via email to add commentary. During 2010/11 PI reports were developed and published to Owners and Escalation Owners detailing the latest performance of their Service Area/Department. During 2011/12 Milestone reports will be developed.

#### **How is CorVu set up?**

Historic data for every National Indicator, Ex Best Value Performance Indicator, Local Indicator and Statistic from across the Council has been entered into CorStrategy covering the years 2007/8, 2008/9 and 2009/10. 2010/11 and 2011/12 data is now available due to the data entry of the Updaters. A majority of the indicators are constructed using data Components in much the same way that the previous Data Capture System was set up.

E.g. Ex BV 8a Undisputed invoices paid within 30 days is made up of two Components, one called 'Number of Invoices paid within 30 days' and the other called 'Total Undisputed Invoices'.

Just like the previous Excel spreadsheets, Updaters can enter data for the individual Components which will then automatically calculate the performance indicator.

Projects listed in the Divisional Plans for 2011/12 have been entered into CorProject under a Corporate Objective and a Key Priority. For every project there is a Milestone known as the Overall Progress Milestone. Some projects have additional specific Milestones.

Updaters can enter a Status update and commentary for the individual Milestones.