

CORPORATE AND COMMUNITY SERVICES

Performance Management Framework



North Kesteven
DISTRICT COUNCIL

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Alternative Formats

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1. Introduction

Performance Management is essential to the success of North Kesteven District Council in delivering the ambitions of the NK Plan and is a vital element of forward planning and continuous improvement.

The key principles of effective performance management are to provide Members and Officers with robust information they need to manage the organisation, improve the quality of life of North Kesteven's residents, and achieve value for money. Performance management enables key decision makers, both Members and Officers, to take necessary action based on facts about our performance.

The Council uses a range of performance indicators to monitor ongoing performance, which also allows it to see whether performance is improving over time. Performance management allows the Council to prioritise resources, and to determine whether it is making improvements within the areas identified in the Corporate Priorities.

Performance indicators help Councillors, partners, businesses, colleagues and members of the public to understand how well services are being delivered, how the Council is performing and whether it is achieving its intended outcomes. They can also use the Balanced Scorecard to hold the Council to account. Once issues have been identified it can then pinpoint where it needs to make changes or improvements and take appropriate action.

2. Importance of Performance Management

Performance management is one element of the Council's arrangements that help it to plan, monitor and manage the delivery of its services. Effective performance management helps to:

- Support the overarching vision for North Kesteven
- Improve delivery of outcomes for customers
- Drive continuous improvement
- Track progress in delivering priorities and enable the Council to take any necessary action
- Make informed decisions to prioritise delivery of services and ensure there are sufficient resources to do it
- Communicate to colleagues what is expected from them and how they fit into the overall framework for managing service delivery
- Provide evidence to inspectors that the Council is achieving outcomes in line with local needs and expectations
- Identify and rectify poor performance at an early stage
- Learn from past performance and improve future performance
- Increase user and public satisfaction.

3. Balanced Scorecard Approach

Our Performance Management Framework has clear links to key strategies within the organisation and is based on the principle that all colleagues are able to shape how our organisation performs and delivers our key priorities. Our balanced scorecard approach provides the structure to assist us in understanding how we use performance data to identify where and when we need to improve performance to ensure we are delivering on our ambitions for the district.

The Our People Strategy links to the balanced scorecard by focusing on the workforce and colleagues employed at the Council who are fundamental to our success, and to the wellbeing of the population we serve.

The Medium Term Financial Plan sets out how the Council will manage its overall budget to deliver its objectives, and also deals with funding constraints. The balanced scorecard is linked to financial management by understanding resources and financial stability.

The Our Customer Strategy focuses on putting the customer at the heart of the organisation, ensuring clear communication and easily accessible services, whilst achieving efficiency and value for money. The balanced scorecard is linked to the Strategy by understanding the customer experience and also understanding how customers can access Council services.

The Council has a Climate Emergency Strategy which focuses on meeting the challenges of climate action ensuring the integration and delivery of the Climate Action Plan across all NK Plan Priorities. The balanced scorecard emphasises the importance of the Green Thread focuses on achieving our ambitions for a just and sustainable transition to net zero by 2030 for North Kesteven District Council and the District of North Kesteven.

The NK Plan is our strategic vision for the realisation of our aims and ambitions for the coming years, as we seek to develop and enrich our District of Flourishing Communities. It explains our purpose in sustaining effective and efficient public services and partnerships that deliver local priorities, meet the challenges of climate change and economic uncertainty, and advance a prosperous, sustainable and equitable District. It also maps out the next steps to be taken in advancing the Council's longer-term aims which, through our Community Strategy, are aligned to United Nations Sustainable Development Goals. The NK Plan drives forward our priorities and ambitions for Our Economy, Our Homes, Our Environment, Our Communities and Our Council.

Each Division produces a Service Delivery Plan which sets out what the Team will deliver to achieve the priorities set out within the NK Plan, as well as any other key areas of work and statutory need. The Service Delivery Plans identify where performance can be reduced, be improved or where efficiencies can be achieved for the same level of service. Through this, performance indicators help set out what needs to be achieved and in what timescale.

Every colleagues has their own personal objectives, agreed through the appraisal process. This process provides an understanding of how colleagues can contribute to the objectives of their Team, Division and Corporate Priorities, whilst also containing information on planned statutory and service activities.

4. Development of the Balanced Scorecard

During this stage, regular discussions are held with relevant Managers to further our understanding of performance information, for example, there is a broad range of performance data available from a number of internal and external sources that we may use to monitor our progress, identify opportunities to learn from best practice, and understand where change is required to improve performance. This includes but is not limited to:

- Current performance measured against previous results
- Performance against target
- Benchmarking tools such as LG Inform
- Service Standards
- Feedback from customers
- Findings from audit, review and inspection.

The balanced scorecard approach will provide:

- High standards of data quality
- Information is gathered to track and monitor performance and identify trends
- Provide clarity in relation to roles and responsibilities.

Effective performance measures and actions should be classed as 'SMART':

- Specific - performance measures have to indicate exactly what result is expected so that the performance can be judged accurately
- Measurable - the intended outputs and outcomes have to be something that can be measured and reported in quantitative and/or clear qualitative terms
- Achievable - performance measures are realistic, and also stands for Assignable - identifying who has lead responsibility for the measure
- Relevant - performance measures are important to the reader and relate to the service being measured
- Timely - information is available to support effective decision making as well as allowing for the reporting of performance in a timely manner.

Setting targets allows us to work towards improving our services and achieving our goals. Targets should be based on past, current performance and comparisons with other services/councils so that they contribute to improved performance. Targets can:

- Promote accountability
- Help manage service delivery
- Stretch performance
- Enable self- improvement.

As part of the performance cycle, we have to review and monitor how we are

performing against targets and benchmarks so that we can make an informed assessment of what the data is telling us. This stage is also an opportunity to review the performance measures to ensure that the data being collected is useful in terms of being able to measure performance and delivery against key priorities and intended outcomes.

The analysis and interpretation of performance data is the process of attaching meaning to the data. At every level, discussions about performance should be encouraged and embedded into team and divisional management meetings. Regular monitoring will trigger further discussion and provide a good opportunity to understand what is working well and where corrective action may be necessary. Regular performance discussions will:

- Ensure visibility of all services and performance at every level
- Share best practice and celebrate success
- Identify and remove barriers to improving performance
- Ensure objectives and key performance indicators are met.

Data used to monitor, progress and inform decision-making needs to be accurate and reliable. All performance indicators need to be verified and signed off to demonstrate all data that is entered into the performance system and published is accurate and has a clear audit trail. The Council has a Data Quality Strategy to address the issue of data quality assurance.

Benchmarking can also contribute to improving services by sharing data, processes and solutions in relation to similar activities and services and enable good practice and learning to be identified. Benchmarking can be undertaken with other Councils, public and private organisations and sectors, but also carried out internally across services. Core elements of Benchmarking include:

- Understanding how a service or organisation performs in comparison to others
- A systematic process that needs to be planned, resourced and carried out with a degree of robustness
- A learning process whereby you can understand current performance levels are, understand how well others perform in the same service area, and why some services or organisations achieve higher results
- Supporting change and improvement within a service or organisation based upon knowledge of what constitutes achievable best practice.

5. Performance Reporting

The Council has various layers of performance reporting and, at the end of each quarter, reports are produced by the Corporate Information Team for Corporate Management Team, Resources Scrutiny Committee and Executive Board. The Performance Framework is reported at the following levels:

1. **Balanced Scorecard:** To ensure we are capturing the true narrative of our performance, the Council uses a balanced scorecard approach. The purpose is to ensure we are considering all elements of delivery through five lenses of

performance:

- a. Our People focuses on workforce performance and links with the 'Our People Strategy'
 - b. Our Finance focuses on financial stability, maximising funding sources and capital spend against approved budget
 - c. Our Customers focuses on our residents, partners and businesses and links with the 'Our Customer Strategy'
 - d. Our Environment focuses on the 'Green Thread', which shapes how we embed climate and environmental action into everything we do as an organisation
 - e. Our Services focuses on the delivery of the Corporate Plan and enables the organisation to establish whether community outcomes are being achieved. As part of this, the Council has aligned all that we do with the United Nations Sustainable Development Goals intrinsically aligning 16 of them to our priority focus, as expressed through the NK Plan. They are consistent with, and contribute to, enabling a District of Flourishing Communities where everyone has a future, a job, a home, a life and a champion; which are principles every resident is entitled to in order to flourish, participate, function and thrive.
2. **Housing Regulatory Indicators:** in addition to the Balanced Scorecard, the Regulator of Social Housing stated that, from the 1 April 2023, all registered providers of social housing need to collect and publish a range of comparable information on areas, such as, repairs, safety checks and complaints.
 3. **Operational Performance Indicators:** a framework of operational performance indicators have been developed to enable the Council to deliver services in an efficient, economic and effective manner. They are identified within Service Delivery Plans and monitored on a regular basis by Divisional Management Teams.

North Kesteven District Council utilises CAMMS – a combined performance management, project and risk system. Officers input data into the performance system, enabling them to see whether performance is behind, within variance or ahead of target. A narrative and context are provided by services for those performance indicators which are behind target or within variance (i.e. red or amber). The narrative sets out what remedial action is being taken and whether this is likely to be sufficient to enable the target to be achieved. For performance to be effectively managed, Officers take ownership of their data and take corrective action where necessary. CAMMS is also a key tool used by Officers for collating, analysing and reporting performance data. The reports produced provide the performance data in a visual format allowing for progress updates and ensuring that informed decisions can be made.

6. Performance Management Culture

To improve service delivery and outcomes for residents, there needs to be a performance management culture that is embedded across the Council. This is a culture in which every person understands the vision and priorities and their own role in helping to achieve these. A positive approach to performance management enables performance to be reported in an open way to ensure appropriate action can be taken. A performance management culture includes:

- Decisions being based on robust data and decision makers having the confidence that the information produced is based on good quality data
- Regular and robust performance information
- Performance information being readily accessible to users
- New ideas being sought and tried
- An openness to internal and external challenge
- People seeing a direct connection between what they do and how it benefits the community and the Council through the performance management framework
- Colleagues understanding their contribution to delivering key priorities and feeling supported and motivated to manage their own performance effectively
- Assistant Directors facilitating performance improvement and engaging their Teams
- Performance management being treated as core business within the organisation
- Everyone having a sense of responsibility for the performance of the organisation and accountability for results
- Clear performance management review, combining challenge and support.

7. Reviewing the Policy

The Council aims to continuously improve its approach to performance management, prompted by new ideas from Members, Officers, partners, businesses and members of the public, and the latest thinking and innovations from outside the Council. The Policy will be reviewed annually by the Corporate Information Team and revised to reflect any changes.



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