

**Report to Finance and Performance  
Management Standing Panel**

**Date of meeting: 26 September 2005**

**Portfolio:** Finance and Performance Management

**Subject:** Performance Management Framework

**Officer contact for further information:** S Tautz

**Committee Secretary:** S G Hill



---

**Recommendations/Decisions Required:**

**That the Scrutiny Panel notes the principles and operation of the Council's Performance Management Framework, and considers whether it wishes to take any further action.**

1. (Head of Human Resources and Performance Management) At the request of the Chairman of the Scrutiny Panel, this report provides members with an introduction to the Council's Performance Management framework, and sets out the context in which the Panel's scrutiny of performance indicators contributes to service improvement.
2. All effective organisations measure their performance in order to know how well they are doing and to identify opportunities for improvement. Performance management is essential for the delivery of improved services, and for local authorities is a key requirement of the Comprehensive Performance Assessment (CPA) process. The aim of performance management is to enable an organisation to:
  - identify its priorities and resource them accordingly;
  - manage the organisation, its services and people to deliver its priorities;
  - measure, monitor and evaluate performance against its priorities;
  - and as a result deliver top performing services
3. To aid this process the Council adopted its medium-term priorities during 2002 and a formal Performance Management Framework in 2003.
4. The Framework draws together a number of different elements of performance management into a corporate system, linking the budget setting process to the performance management cycle and ensuring that there is alignment between corporate objectives and personal appraisal. Performance management also encompasses the appraisal of individual performance and the measurement of service performance via performance indicators. The individual elements of the Performance Management Framework are set out in Appendix 1 to this report.

**Community Strategy**

3. The framework starts at the strategic, or 'big picture' level with the Community Strategy produced by the Epping Forest Local Strategic Partnership. The Community Strategy is a long-term document, setting out the overall aims of

the key agencies working in the District over the next fifteen years, and how these are to be delivered in broad terms. It shows how the public and voluntary sectors will work together to improve the services and quality of life in the District.

### **Council Plan**

4. Underneath the Community Strategy sits the Council Plan. This is four-year plan of key actions that the Council intends to take, informed by the council's medium-term priorities and statutory targets. The current Council Plan for 2003-2007 is currently being reviewed, to set new priorities for the years from 2006 to 2010.

### **Best Value Performance Plan**

5. The next element of the Performance Management Framework is the Best Value Performance Plan (BVPP). This is produced and agreed by full council annually and sets out targets for the coming year, based on the priorities set out in the Council Plan. The performance of the Council against national and local Performance Indicators is set out in the BVPP, so that performance is communicated to the authority's partners and residents of the district. As recommended by this Panel, the Cabinet has adopted forty Key Performance Indicators for 2005/06 that are crucial to the authority's care business. Portfolio Holders and the Scrutiny Panel will monitor performance against these indicators each quarter in order to focus improvement actions on those areas that reflect the Council's corporate priorities, with a view to moving performance against each of these indicators into the top performing 25% of local authorities.

### **Business Plans**

6. Underneath the BVPP sit individual business plans which are produced at service level. Like the BVPP these last for one year, and set out, on a service or team basis, detailed plans for the following year, together with the details of local and national performance indicators and often containing internal service targets and performance standards as well. These are much more detailed planning documents than the BVPP, showing how individual services will implement the actions proposed in the BVPP, and providing detail on the risk management, community safety and equality and diversity implications of actions to be taken during the year. Business Plans also set out brief details of any challenges, targets and issues to be faced by the service during the two years immediately beyond the specific year of each plan. Reference to these challenges, targets and issues is designed to establish the Business Plan as a longer-term planning document, although not a detailed three-year plan. Business plans are available to members on request from Heads of Service.

### **Staff Development Review**

7. The final part of the framework is the individual Staff Development Review (SDR) process. This takes the actions proposed in the business plan and allocates them to individuals as targets that they should meet in the coming year. Progress against targets is then reviewed in one to one meetings and SDR reviews. From the SDR reviews services should produce annual training plans, and the Human Resources Unit produces the annual Corporate Training Programme.

8. There is always pressure to deliver services in an ad-hoc way, responding to immediate day to day need. However, the Council must be responsive to changing needs and demands and the Performance Management Framework requires longer term planning. The four-year timeframe of the Council Plan sets out a medium term planning process, within the context of the longer term Community Strategy. The Council Plan is therefore a key document in the framework, on which the annual BVPP and Business Plans are based. In effect the BVPP 'lifts out' the priorities for the coming year from the Council Plan and enlarges upon them. This is supported in the Business Plans and SDRs, where actions in the BVPP are set out in greater detail, allocated to individual members of staff, and progress is monitored.
9. In addition to the plans mentioned in this report, the council also produces numerous plans and strategies that are required by the government (including the Capital Strategy, Asset Management Strategy, Homelessness strategy, etc.). Only some of these plans can 'double up' as Business Plans and therefore formally fall within the Performance Management Framework. However, all need to take account of the objectives set out in the Council Plan. Equally, the council needs take account of the need to deliver statutory plans and meet statutory targets when allocating resources and setting priorities.
10. The operation of the Performance Management Framework is currently being reviewed as part of the implementation of improvements arising from the Council's first CPA assessment.

## APPENDIX 1 - Key Elements of the Performance Management Framework

Timeframe	Covers		Duration	Content	Approved By
Long Term	District as a whole	Community Strategy – developed with key partners	10-20 years	Broad vision for the District over the long term; how the Council will achieve this working with its partners.	Local Strategic Partnership in consultation with the Council
		↓			
Medium Term	Whole Council	Council Plan – key policy themes, visions and values. This will link in with other Council strategic documents, such as the Capital Strategy	4 years	A four year plan of 'top level' strategic items the Council will seek to deliver, including member priorities, government initiatives, and the budget forecast for the four year period. To be reviewed annually.	Council
		↓			
Short Term	Whole Council	Best Value Performance Plan (BVPP)	1 year	How the Council will deliver its key strategic items in the current year; including progress with local and national PI's and the Council's annual budget. To be reviewed annually.	Council
		↓			
Short Term	Service or Team	Business Plan	1 year	Detailed plans to deliver and improve services, based on the BVPP, but going into more detail and considering other issues. To be reviewed annually	Appropriate Portfolio Holder at commencement of municipal year.
		↓			
Short Term	Individual	Staff Development Review	1 year	The targets agreed with staff to meet business plan actions. To be reviewed annually	Line Manager/Staff