

TITLE OF REPORT: **Performance Management and Improvement Framework**

REPORT OF: **Darren Collins, Strategic Director, Resources and Digital**

Purpose of the report

1. This report sets out the proposed new Performance Management and Improvement Framework (PMIF) for the Council. Cabinet is asked to approve the proposed framework and recommend it to Council for approval.

Background

2. Performance Management is used by local authorities to identify how well they are delivering outcomes for local people. It aims to help services get from where they are to where they need to be and inform decision in an efficient and effective way. The Council's current performance framework has been in place for several years and has evolved over time.
3. A new framework is needed that better reflects the priorities of the Council – the delivery of the Council's Thrive policy and Health and Wellbeing Strategy and which also considers the impact of the Covid-19 pandemic in Gateshead.

Proposal

4. A review of the Council's framework for performance has been undertaken. The development was based on agreed principles, set out in Appendix 1, which were used to shape the new approach.
5. The proposed revised PMIF (Appendix 2) has a clear focus on priorities, delivery and measurement and analysis of impact. It is based on Thrive, tackling inequalities and is framed within the six policy objectives of the Health and Wellbeing Strategy. It comprises a Corporate Framework that sets out performance against Health and Wellbeing Strategy outcomes and a Balanced Scorecard that sets out performance against 'organisational health'.
6. The purpose the new proposed PMIF is to:
 - Enable the Council to know whether it is achieving its priorities. (Thrive Policy and Health and Wellbeing Strategy).
 - Ensure that the Council's resources are being deployed effectively.
 - Make both short and long-term effective decisions.
 - A whole systems approach – embedded in our partnership working to deliver the Health & Wellbeing Strategy

7. The development has included extensive engagement, drawing on the views of councillors, employees, trade unions and partners to understand and inform an approach to enable the Council to effectively manage corporate performance and improvement. A summary of the themes emerging from the engagement is at Appendix 1 and it has been important in shaping the PMIF.
8. This engagement will continue through further refinement of the PMIF to test the approach, embed this with greater ownership and facilitate a more collaborative approach.
9. Implementation will begin after Council approval with development throughout the year to confirm measures and develop a baseline in recognition that a flexible approach is needed to take account of the impact of the Covid-19 pandemic and the developing strategies to help to address inequalities in Gateshead.
10. The new approach requires, through the implementation plan, culture change, include greater ownership of corporate performance across the organisation and empowerment of employees to drive improvement and deliver better outcomes. This came out strongly in the engagement and will form part of the planning going forward.
11. A roadmap for implementation with an iterative approach has been developed with continuous development taking into account developing strategies and plans to inform the further development of Outcomes, Interventions, Resource and Performance Measures. There will be further employee and partner engagement and the Baseline and target setting will also progress along with an approach to a community conversation.
12. Importantly, performance will be a continued conversation and tool for councillors and officers throughout the year to understand and manage performance and improvement. It is proposed that a report is brought back to Cabinet in October to set out outcomes, interventions and performance measures. It is further proposed that Overview and Scrutiny Committees receive quarterly reporting on the PMIF and that reporting to Cabinet is on a 6 monthly basis to ensure effective reporting and management of corporate performance across the Council.

Recommendation

13. Cabinet is asked to:

- (i) Recommend the Council to approve the Performance Management and Improvement Framework at Appendix 2.
- (ii) Agree to receive 6 monthly performance reports identifying the impact of Council actions and intervention and delivery of Thrive and the Health and Wellbeing Strategy.

For the following reasons:

- To ensure there is an effective framework in place to enable the Council to manage performance across its priorities and understand the impact of decisions.

- To enable the Council to focus resources on the delivery of services that make Gateshead a place where everyone can Thrive

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Policy Context

1. The proposal supports the Council's priorities for Thrive by setting out a framework to manage performance against its key priorities for thrive, tackle inequalities and the impact being made on delivery of the Health and Wellbeing Strategy. The PMIF will support and inform corporate policy decisions in the future as well as resource allocation to ensure these are focused on the Council's priorities as part of a broader evidence based approach.
2. The Council's Medium-Term Financial Strategy sets out the financial context for the Council's resource allocation process and budget setting. The proposals support the aims within the Strategy by aligning performance with the overall approach to the budget to support the financial sustainability for the Council ensuring that resources are deployed on the outcomes for making Gateshead a place where everyone Thrives.

Background

3. Performance Management is used by local authorities to identify how well they are delivering outcomes for local people. The Council's current performance framework has been in place for several years and has evolved over time.
4. A new framework is needed that better reflects the priorities of the Council – the delivery of the Council's Thrive policy and Health and Wellbeing Strategy and which also considers the impact of the Covid-19 pandemic in Gateshead.

Review and Principles

5. A review of the Council's framework for performance has been undertaken. The development was based on agreed principles which were used to shape the new approach to ensure it:
 - Is shaped around the characteristics needed to enable people to thrive
 - Is simple, responsive, timely and meaningful indicators
 - Empowers employees to drive improvement
 - Incorporates qualitative and quantitative approaches
 - Recognises locality-based approaches, population and community level interventions to improve
 - Considers partnerships, communities and aligned to key policies and strategies such as the Health and Well-being Strategy, housing and schools
 - Is intelligence led, using evidence to learn and improve
 - Considers how to incorporate a wider range of data, for example linking to a 'Data hub' approach
 - Measures the health of the organisation (balanced scorecard approach)
 - Enables members to scrutinise performance and see the impact of decision making
6. The review also used desktop research to identify best practice from other local authorities as well as organisations such as the Local Government Association, and APSE etc.

7. Engagement has also played a significant role in the review and development of the framework being proposed. The development has included extensive engagement, drawing on the views of councillors, employees, the Trade Unions and partners to understand and inform an approach to enable the Council to effectively manage corporate performance and see the impact of policy and resource decisions.
8. Key themes from the engagement included:
 - Very positive about the approach focusing on priorities, tackling inequalities through Thrive and HWB Strategy
 - Resources link being important – inform budget decisions, employees and assets
 - Corporate Analysis – assessing, review, interpreting performance
 - Move from measurement to management – a tool for improvement
 - Data – corporate ownership management – a usable asset to inform decision making
 - Clearer presentation - exception reporting, focus on improvements needed - 3D approach for different audiences
 - Mechanism to improve ways of working – break down silos, greater collaboration
 - Locality approaches – understanding issues in different geographies
9. This engagement will continue through further refinement of the PMIF to test the approach, embed this with greater ownership and facilitate more collaborative and integrated working.

A New Performance Management and Improvement Framework

10. The proposed revised PMIF is set out at Appendix 2. This is based on Thrive and is framed within the six policy objectives of the Health and Wellbeing Strategy. The key features are:
 - Outcomes (Health and Wellbeing Strategy)
 - Interventions/Actions
 - Resources
 - Strategic Risk
 - Performance measures (strategic & operational)
 - Impact analysis ('story telling', qualitative and geographic/locality)
 - Balanced Scorecard to check the organisational health of the Council
11. A roadmap for implementation has been developed with key milestones being:
 - Gradual Implementation from Council approval - iterative with continuous development taking into account developing strategies and plans:
 - Strategy development (e.g. Economic Strategy; Climate Change Action Plan; Community Wealth Building)
 - Connect and co-ordinate with LA7 Economic Recovery Plan
 - To inform further development of Outcomes, Interventions, Resources & Performance Measures
 - Employee engagement
 - Partner Engagement – through HWB Board

- Baseline and targets to be developed - July 21 Establish baseline data for the current state (Public Health & Wellbeing)
- Development of Community Conversations approach
- Data Management & IT Solutions including presentation for different audiences – Sept 21
- Developing a 'Community Conversation' approach
- 'Test drive' the framework to inform quarterly reviews July, Oct; Jan, April (2022)
- Quarterly report to OSCs and 6 month report to Cabinet

Alternative Options

12. An alternative option would be to continue with the existing Performance Management Framework. This option is not recommended as the Council required a framework that is focused on delivery of priorities, measuring impact, makes better links to use of resources and has a greater analytical element that focuses on what matters. The recommended option will better enable the Council to manage corporate performance and use this to inform decision making.

Consultation

13. All members have been consulted through the following mechanisms:
- Two Corporate Advisory Group meetings
 - All Overview and Scrutiny Committees
 - Meeting with Chairs and Vice Chairs of Overview and Scrutiny Committees
 - Portfolio meetings
 - The Leader and Deputy Leader have also been consulted
14. Three focus groups for employees have also taken place as well as officer workshops. Further employee engagement is planned as part of the implementation of the new PMIF. One informal engagement session was held with Trade Unions.
15. Partner engagement has included the Health and Wellbeing Board and the Gateshead Health and Care Systems Board. Engagement with these is developing further throughout implementation. Additional engagement is also taking place others such as with the VCS to establish a more joined up and integrated approach to performance management across shared priorities.

Implications of Recommended Option

16. Resources

- a) **Financial Implications** – The Strategic Director, Resources and Digital confirms that the proposal will have no direct financial implications as a result of this report. The proposal aims to align performance with resources and enable better informed decision making.

- b) Human Resource Implications** – There are no Human Resource implications arising directly from this report. The further development and implementation of the framework however will seek to engage employees.
- c) Property Implications** – There are no property implications arising directly from this report.
17. **Risk Management Implication** - The proposals will reduce the risk of the Council not achieving its priorities by enabling effective performance management across strategy corporate priorities.
18. **Equality and Diversity Implications** –There are no direct equalities and diversity implications arising from this report, however the framework has a focus on addressing inequalities.
19. **Crime and Disorder Implications** –There are no crime and disorder implications arising directly from this report.
20. **Health Implications** – While there are no direct health implications arising from this report, the PMIF is based on the 6 policy objectives within the Health and Well-being Strategy so will help to manage performance at a strategic level across a range of wider determinants of health.
21. **Climate Emergency** – There are no climate emergency implications arising directly from this report, though the PMIF will seek to manage performance across a range of strategic priorities including the climate emergency.
22. **Sustainability Implications** – There are no sustainability implications arising directly from this report
23. **Human Rights Implications** – There are no human rights implications arising directly from this report
24. **Ward Implications** –There are no implications for a specific ward, though the framework will include a geographical focus on performance where appropriate.

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