

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

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

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### **Purpose of the report**

1. This report seeks Cabinet approval for the proposed interventions and measures to be included as part of the Council's new Performance Management and Improvement Framework (PMIF) as set out in Appendix 2.

### **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 making in an efficient and effective way.
3. Following review, a new approach to performance management and improvement was approved by Cabinet on 20<sup>th</sup> April and then agreed by Council on 27<sup>th</sup> May 2021. The new PMIF has a clear focus on priorities, delivery, measurement and analysis of impact. It is based on Thrive, tackling inequalities and is framed around the six policy objectives of the Health and Wellbeing Strategy. It also incorporates an organisational 'health check' Balanced Scorecard. The PMIF aims to:
  - Enable the Council to know whether it is achieving its priorities. (Thrive Policy)
  - Ensure that the Council's resources are being deployed effectively
  - Make both short and long term effective decisions
  - Support a whole systems approach – embedded in our partnership working to deliver the Health and Wellbeing Strategy
4. The next stage, following approval of the framework approach has been to develop the content and it was agreed that a further report would be presented to Cabinet in October 2021.

### **Proposal**

5. The current proposed content is set out at Appendix 2. This presents the interventions, measures and baseline data (where this is available) against each of the six Policy Objectives in the Health and Wellbeing Strategy and the four themes of the Balanced Scorecard (Employees; Customer Experience; Finance, Governance and Risk; and External Assessment). It aims to align agreed Council strategies and delivery plans to provide an effective framework for improvement against priorities.
6. There are 180 measures in the new framework. Of these there are 75 Strategic; 59 Operational; while the Balanced Scorecard comprises 46 and will focus on the health of the Council as an organisation. Collectively these measures aim to enable the

Council to manage its performance across all priority areas, identify achievements as well as areas for further improvement and intervention.

7. Measures will be reported either 6 monthly or annually depending when data is available. Where possible baseline data is included to enable comparison and assessment of performance. This has been dependent upon the last available data. As the PMIF represents a new approach, some measures are being collected for the first time and no baseline data is available until the end of the first year.
8. Importantly the PMIF incorporates a qualitative element that will consider impact through experiences and consideration of complexities and context. This will be used along with the quantitative measures to understand how the Council is performing. Crucial to the success of the PMIF will be the analysis of quantitative and qualitative performance to develop an overall assessment of how the Council is performing against its agreed priorities and where improvements can be made, including the deployment of resources. This will be developed for the performance reporting stage.

### **Review and refinement**

9. Implementation will be iterative, with continuous development, taking into account developing strategies and plans to inform the further development of Outcomes, Interventions, Resource and Performance Measures.
10. While most measures have been defined it should also be noted that further refinement is needed in some areas where new approaches are being developed such as through the Ways of Working and Digital Strategy and the Economic Strategy. Work will continue as part of iterative approach to ensure that new Council approaches, policies and strategies are included in the corporate performance approach and Balance Scorecard.
11. Importantly, performance will be a continued conversation and tool for councillors and officers throughout the year to understand and manage performance and improvement. Six monthly reporting on performance will commence with this first being reported to Overview and Scrutiny Committees and then to Cabinet to ensure effective reporting and management of corporate performance across the Council. The approach will be reviewed quarterly to ensure the PMIF is effective in enabling the Council to manage performance against priorities and see the impact of policy and resource decisions.

### **Recommendation**

12. It is recommended that Cabinet:
  - I. Approve the interventions and measures in the Performance Management and Improvement Framework at Appendix 2
  - II. Agree to the interventions and measures to be updated in line with agreed Council policy and strategy in consultation with the relevant Cabinet member and Strategic Director.

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 ensure the framework is responsive to changing Council priorities as they are agreed to enable the effective monitoring of performance

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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 Performance Management and Improvement Framework (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 has been agreed by Cabinet (20 April 2021) and Council (27 May 2021) 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.

### Content development

5. Taking an iterative approach, work has continued on implementation to develop the content of the PMIF with a focus on interventions and measures. These are set out as part of the framework at Appendix 2 and are based on the Policy Objectives of the Health and Wellbeing Strategy for Gateshead.
6. Measures are differentiated between Strategic and Operational. Strategic measures are generally at a population level and based on outcomes. They are longer term and would require a range of partners and agencies to work together to achieve, however the Council can play a strong role in influencing these through its activities. The Operational measures relate more to the interventions and services the Council delivers to make a difference towards achieving its outcomes for health and wellbeing.
7. The Balanced Scorecard focuses on the internal health of the Council as a organisation and how well placed it is to deliver on priorities. This considers four areas: Employees; Customer Experience; Finance, Governance and Risk; and External Assessment. Measures have been identified within each of these thematic areas, which will support the assessment of how it is performing.

8. Baseline data has also been identified for the measures, however as this represents a new approach some data will be collected for the first time. The interventions aim to align with current Council policies and strategies so as to ensure a high level focus on key strategic priorities and how these are being delivered.
9. A high-level assessment of the financial resources against priorities, based on the 2021/22 budget setting, has also been undertaken and mapped to the Policy Objectives. This element will be iterative and will build as the approach strengthens the links between resources, priorities and performance.
10. The flexible, iterative approach that has been adopted to develop the PMIF, reflects the changing circumstances that the Council works within and aims to ensure that performance against priorities can be managed in the most efficient and pragmatic way being responsive to changing needs to ensure it will remain fit for purpose.

## **Engagement**

11. Engagement has also played a significant role in the review and development of the framework being proposed. In June / July, all four Overview and Scrutiny Committees were presented with the high-level measures, relevant to the remit of each committee, that were being considered for the framework. Key points to highlight included:
  - Reiterated support for the approach and the framing of the PMIF against the Health and Wellbeing Strategy.
  - The importance of quality analysis of key issues and areas for improvement.
  - Need to ensure targets are realistic.
  - Importance of ensuring a rounded view of performance against priorities, recognising the crosscutting nature and assurances on what would be in place to ensure actions were being progressed.
  - Interest in qualitative impact with more data on quality of life and wellbeing
  - The framework may evolve change recognising it may not be right first time.
  - Improvements / interventions that are made as a result of the PMIF to be reported back to members.
  - Recognition that some measures are not within Council direct control but could be influenced as part of a strategic approach to health and wellbeing.
12. An employee engagement meeting was held during August to outline the emerging measures. Employees were particularly interested in how the PMIF can reflect frontline working and how they can recognise their work within the overall performance of the Council as well as have a better understanding of how the Council is making a difference to the lives of local people.
13. Partner engagement in the development of the PMIF included the Health and Wellbeing Board and the Gateshead Health and Care Systems Board. An engagement event was held with the Voluntary and Community Sector (VCS), which was organised by Connected Voice. There was broad support for basing the framework on the Health and Wellbeing Strategy to help deliver shared priorities, as well as the more qualitative approach being developed.

14. 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.

### **Further development and review**

15. Implementation is an iterative process recognising that the new approach requires culture change including greater ownership of corporate performance across the organisation and empowerment of employees to drive improvement and better outcomes. The approach will also be reviewed to check how effective it is in enabling performance management and improvement towards better outcomes.

16. The proposed next steps are to:

- Present 6-month performance report for 2021/22 to OSCs from January and then to Cabinet.
- Review the approach on a quarterly basis.

### **Alternative Options**

17. An alternative option would be to develop different measures and interventions. This option is not recommended as the proposed content is based on current plans and strategies as well as extensive engagement. The iterative approach and quarterly reviews mean that the framework can be further refined as needed. The recommended option will better enable the Council to manage corporate performance and use this to inform decision making.

### **Consultation**

18. All Overview and Scrutiny Committees received the draft measures at their meetings in June. The Leader and Deputy Leader have also been consulted on the proposal.

### **Implications of Recommended Option**

#### **19. 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.

20. **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.

21. **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.
22. **Crime and Disorder Implications** –There are no crime and disorder implications arising directly from this report.
23. **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.
24. **Climate Change** – There are no climate change implications arising directly from this report, though the PMIF will seek to manage performance across a range of strategic priorities including climate change.
25. **Sustainability Implications** – There are no sustainability implications arising directly from this report
26. **Human Rights Implications** – There are no human rights implications arising directly from this report
27. **Ward Implications** –There are no implications for a specific area or ward, though the framework will include a geographical focus on performance where appropriate.