North Northamptonshire Council
Performance Management
Framework
2024/25

Contents

Introduction

Improving services and outcomes for our customers and residents is at the heart of everything we do, and effective performance management is an essential tool for doing so.

Performance management is about how we consistently plan and manage services in order to identify opportunities for continuous improvement and ensure we're delivering against the Council's vision of creating;

'A place where everyone has the best opportunities and quality of life'

A performance management framework sets out a process and responsibilities which tie performance management to the aims and plans of the Council and to its improvement journey.

To be effective the framework needs to integrate different elements of planning and performance – for example, community planning, corporate planning and policy, service and financial planning, performance appraisal and individual targets – into a seamless process of long and medium-term planning and review.

This performance framework aims to summarise the key internal processes through which the Council sets, delivers, monitors and reports on the delivery of the Council's key commitments as outlined below;

1. *Active, fulfilled lives*: We will help people live healthier, more active, independent and fulfilled lives.

2. *Better, brighter futures*: We will care for our young people, providing them with a high-quality education and opportunities to help them flourish.

3. *Safe and thriving places:* We will enable a thriving and successful economy that shapes great places to live, learn, work and visit.

4. *Green, sustainable environment*: We will take a lead on improving the green environment, making the area more sustainable for generations to come.

5. *Connected communities*: We will ensure our communities are connected with one another, so they are able to shape their lives and the areas where they live.

6. *Modern public services*: We will provide efficient, effective and affordable services that make a real difference to all our local communities.

The framework provides the structure and guidance to help us understand how we should use data about our service delivery and the needs of our residents and communities as an evidence base to drive change and improvement that supports the delivery of the Council's vision and priorities.

National Context

Since 2011, when much of the national performance framework for local government was decentralised, local authorities have had greater autonomy to regulate and set their own, more localised priorities and performance management arrangements. If managed effectively and robustly this more localised approach should encourage and enhance greater transparency to the public as opposed to central government.

Councils do, however, still have a significant duty placed on them to provide data back to central government via the single data list and through a range of inspectoral frameworks.

The Local Government Act 1999 stipulates that services are required to be: 'responsive to the needs of citizens, of high quality and cost-effective, and fair and accessible to all who need them'. Furthermore, there is statutory guidance on 'best value duty' (2011 and 2015), where authorities are under a general duty of best value to: 'make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness'.

The Office for Local Government (Oflog) has recently been established in England and aims to provide authoritative and accessible data and analysis about the performance of local government to support improvement.

Oflog will initially focus on bringing existing data together in an informative way through the Local Authority Data Explorer. This will include making it comparable and contextualised, working closely with local partners to make sure the performance of the sector as a whole and national trends can be better understood.

The new data tool covers the following initial areas of performance; Adult Social Care; Waste Management; Planning; Roads; Corporate and finance, and uses the CIPFA Nearest Neighbours model for comparisons.

Why is Performance Management Important?

Performance management is important because it is a set of tools and techniques for ensuring that we are providing the best services for our residents and communities that we can, in accordance with our plans and goals and objectives that have been agreed through the democratic process.

It is also an important tool for good governance and meeting our statutory responsibilities. The Local Government Act 1999 stipulates that services are required to be: 'responsive to the needs of citizens, of high quality and cost-effective, and fair and accessible to all who need them'. Furthermore, there is statutory guidance on 'best value duty' (2011 and 2015), where authorities are under a general duty of best value to: 'make arrangements to secure

continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness'.

Results need to be measured in order to understand direction of travel, (positive or negative) so that it can be acted upon accordingly. Positive progress needs to be understood and realised to sustain, or even better, build on it. On the other hand, results that are regressing need to be understood so that is can be rectified and learnt from.

Performance management can also help the Council be transparent about our use of resources and support democratic scrutiny of how well services are being delivered.

Creating the Right Performance Culture

Performance management is everyone's responsibility, therefore for it to be effective, the embedding of a strong performance culture is key.

Good performance management links our vision, priorities and strategies to individual, team and corporate performance ensuring that we are also working together in a consistent way to drive performance and embed an effective performance culture.

In April 2023, the Council introduced 'Me Time' which is the new approach to employee performance management. 'Me Time' meetings focus on conversations with line managers to agree key outcomes. The outcomes will relate and align at job, service and corporate plan level to ensure that we are shared and consistent in our effect of meeting the council's vision and objectives. Each quarter, 'ME Time' conversations focus on progression of the outcomes and how you employees have demonstrated the council's values and behaviours in their work to achieve them.

The Council's values and behaviours underpin the Council's vision and key commitments

- *Customer-focused*
    - Think 'One Team' and act Council-wide
    - Take ownership and do the right thing
    - Keep customers up-to-date and informed
    - Listen and respond to differing needs
- *Respectful*
    - Embrace and live the Council's values
    - Listen to and value the contributions of others
    - Share ideas and feedback at all levels
   - Promote diversity and inclusivity.

- *Efficient*
  - Challenge and innovate
  - Be collaborative and share learning
  - Be flexible, proactive and prioritise
  - Seek learning opportunities.
- *Supportive*
  - Build an open and sustainable culture
  - Promote achievement and celebrate success
  - Be caring and empathetic
  - Develop yourself and others.
- *Trustworthy*
  - Act with honesty and integrity
  - Build effective relationships
  - Do what you say you're going to do
  - Be open and transparent.

Performance data can and should influence decision making at all levels for the council's key commitments to be fully realised at both strategic and operational level.

It is important that there is shared appetite and commitment for the improvement strategy to be evidence based and staff feel empowered to test new ways of working in a trusted space where failure is seen as an opportunity to learn.

A Model for Continuous Improvement

Our approach to performance management is based on the plan, measure, act review cycle as illustrated below:
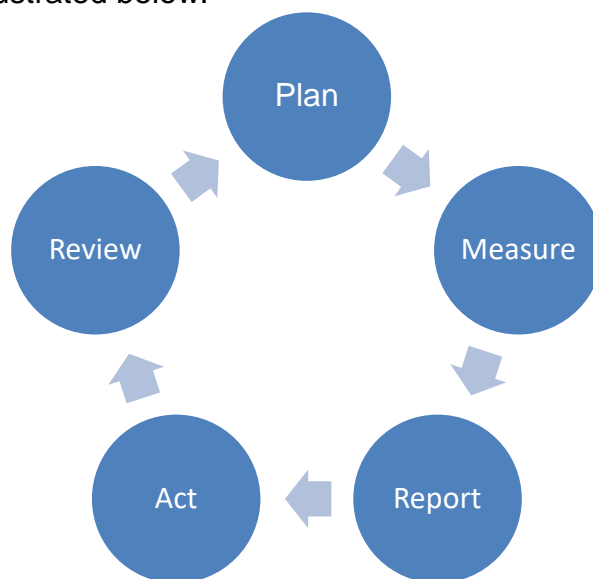
- **Plan** – setting out where we want to get to
- **Measure** – use quantifiable evidence, often in the form of Key Performance Indicators (KPIs) to assess progress, and report in a structured and comprehensive way
- **Report** – collecting and reporting on performance information routinely and consistently
- **Act** – do something differently to address any performance issues or to maintain or enhance good performance
- **Review** – revisit the indicator after we have tried a different approach to see whether it has been successful.

Plan

A number of things help shape the council's corporate planning and the vision and priorities that are created as part of this, including:
- Engagement and consultation with stakeholders (including members, partner agencies, communities);
- Our Medium-Term Financial Strategy;
- Use of intelligence and performance information to provide the evidence base for corporate planning.
- Effective leadership

The corporate plan acts as the overarching strategy underpinning all other planning activity. It aims to align key council strategies, policies and service plans, ensuring that all council services remain focused on delivering the key commitments that the council has pledged to deliver.

National Frameworks and Statutory Returns

Whilst there is no national performance management framework, local government still have a significant duty placed on them to provide data to central government. This is provided via the single data list and through a variety of inspection frameworks.

Measure

Performance Indicators

"A key performance indicator (KPI) is a type of performance measurement. It's a quantifiable measure of performance over time for a specific objective. KPIs aim to support the delivery of our strategy and help teams focus on what's important".

The Council uses performance indicators to collect and quantify progress against our targets or goals. We collect and report on two levels of performance indicator:

- Key Performance Indicators are our headline, strategic indicators. They aim to provide Elected Members, Senior Leaders and residents with a clear picture of our performance for key service delivery areas and on our progress towards achieving the Council's strategic objectives

- Management Performance Indicators provide our service management teams with a detailed breakdown of their current performance against service plan objectives.

What Makes a Good KPI?

The intelligence value of a set of measurements is optimised when we understand how various indicators are used and how different types of indicators contribute to the understanding of how well we are performing.

KPIs can be categorised into several different types:

- Inputs measure attributes (amount, type, quality) of resources consumed in processes that produce outputs
- Process or activity measures focus on how the efficiency, quality, or consistency of specific processes used to produce a specific output; they can also measure controls on that process, such as the tools/equipment used or process training
- Outputs are result measures that indicate how much work is done and define what is produced
- Outcomes focus on accomplishments or impacts.
- Project measures answer questions about the status of deliverables and milestone progress related to important projects or initiatives.

KPIs should be:

- Limited in number
- Comparable over time and to other organisations
- Linked to vision and strategy
- Informed by government priorities, local partners' views etc.
- Should normally comprise of the measure, a comparator (benchmark) and a target

KPIs should:

- Provide objective evidence of progress towards achieving a desired result
- Measure what is intended to be measured to help inform better decision making
- Offer a comparison that gauges the degree of performance change over time
- Can track efficiency, effectiveness, quality, timeliness, governance, compliance, behaviours, economics, project performance and personnel performance.

*Think **SMART***

- ***Specific***: The performance measure indicates exactly what result is expected so that performance can be judged accurately
- ***Measurable:*** Data is available or is collected relatively easily
- ***Achievable***: The measure is realistic, not based on aspiration
- ***Relevant***: The measure matters to the intended audience and is clearly related to the service being measured
- ***Timely:*** Information is available frequently enough to have value in making

*Think **FABRIC***

- ***Focused:*** Focused on the organisation's aims and objectives
- ***Appropriate***: Appropriate to, and useful for, the stakeholders who are likely to use it
- ***Balanced***: Giving a picture of what the organisation is doing, covering all
- significant areas of work
- ***Robust***: Robust to withstand organisational changes or individuals leaving
- ***Integrated***: Integrated into the organisation, being part of the business planning and management processes
- ***Cost-effective***: Balancing the benefits of the information against the costs of collecting evidence

The benefit of having good KPIs are;

They provide signposts and triggers to help you identify when to act, allowing you to see the early signs when things are going well, or when it's time to do something differently.

Key performance indicators create a way to communicate a shared understanding of success. They give your team a shared understanding of what's important to achieve your long-term vision and create a shared language to express your progress.

They provide clarity and focus to your strategic plan by measuring progress and aligning your team's efforts to the organization's objectives. They also show your measurable progress over time and create ways to track your organization's continued improvement

All indicators are identified during an annual review process by senior service leads and managers together with the Council's Corporate Performance Team of which are then reviewed and agreed by the Council Leadership Team. Key

Performance Indicators are also approved by the Council's Executive Committee and reviewed by the Corporate Scrutiny Committee.

Target Setting

Setting and reviewing performance against targets is a crucial part our performance management approach. Targets enables us to keep track of the progress we are making towards achieving our objectives and take corrective action where applicable.

Targets are set by service leads working with the Council's performance team. All targets must be:

- SMART (Specific, Measurable, Achievable, Realistic and Timebound)
- Linked to delivery targets in Service Plans
- Regularly reportable, with suitable data collection arrangement in place and the quality of data assured by the service

Targets are presented to and agreed by the Council Leadership Team alongside Performance Indicators as part of the annual Performance Indicator setting process.

There will be occasions where it's not appropriate or possible to set targets for KPIs, for e.g. there is no benchmark data available, or it's a new process/ activity which we need to baseline before we can accurately set a SMART target. These KPIs are called tracking indicators, and the council supports the inclusion of these for a limited period (usually a financial year).

Benchmarking

It often useful in data and performance analysis to compare one place to another as it can help us contextualise our performance better.

Benchmarking plays a crucial role in the council's approach to performance management as it provides a broader understanding of our position in the wider context. It better enables the council to recognise its strengths and allows for continuous review to ensure we continue to make progress towards our objectives. It also enables councils to share best practise between each other so we can learn and evolve, and share solutions and best practise to drive continuous performance improvements.

Benchmarking as an efficiency tool that is based on the principle of measuring the performance of one organisation against a standard, whether absolute or relative to other organisations. It can be used to;

- assess performance objectively;
- expose areas where improvement is needed;
- identify other organisations with processes resulting in superior performance, with a view to their adoption and;

- test whether improvement interventions have been successful.

How we Benchmark Indicators and Targets

The selection of ideal benchmarking partners is often a complex, time consuming and multi-faceted decision-making process, most notably because no two places are exactly alike. How we deal with this issue is to use 'near neighbours' or 'statistical neighbours', which are pre-selected groups of local authorities which share similarities on many variables, so that places that are generally similar can be compared easily, increasing the chances of a fair comparison and identifying important differences that can be used for service or budget planning by identifying good practice.

To allow for comparisons to be made easily and consistently across services within North Northamptonshire Council, a single (or certainly as few) nearest neighbour's groups as possible is preferred.

Except for Children's Services, it is proposed that all services across North Northamptonshire Council should use North Northants' CIPFA near neighbours' model for benchmarking purposes. Developed by the Chartered Institute of Public Finance and Accountancy (CIPFA), this is a specific assessment for Local Authorities in England which compares demographic variables, deprivation, employment and population density.

The use of the CIPFA near neighbour's model for North Northamptonshire, is recommended as the primary comparator group for benchmarking across all Council services. This is a widely used model across local and central government as well as external partners and other third parties and has an established methodology.

There are currently 15 authorities which make up North Northamptonshire Council's CIPFA nearest neighbour's benchmarking group as listed below (in order of the closest neighbour):

1. West Northamptonshire
2. Telford & Wrekin
3. Swindon
4. Kirklees
5. Warrington
6. Calderdale
7. Bedford
8. Stockport
9. Bury
10. North Lincolnshire
11. Wakefield
12. Stockton-on-Tees
13. Halton
14. South Gloucestershire
15. Cheshire West & Chester

The CIPFA Nearest Neighbours default model is a widely recognised comparison tool and is commonly used by Local Government affiliated intelligence platforms, including LG Inform (and LG Inform Plus) & Public Health England. This provides confidence in its accuracy and enables data for this benchmark group to be easily obtained as it's already programmed into these interactive platforms

A mean average of the near neighbour's results will be used as the benchmark within performance reporting. Nevertheless, the median average may be used where deemed more appropriate in the instance of large outliers, and results for the whole group (including each authority individually), may also be used for comparison purposes, allowing us to identify our ranking and draw deeper comparisons.

The Local authority interactive tool (LAIT), developed by the Department for Education is an interactive spreadsheet for comparing data about children and young people across all local authorities in England.2 This benchmark model is what is used by the Children's Services department, including the Education Service. The statistical neighbours are provided below along with the variable weightings used against the indicators which define this list:

There are currently 10 authorities which make up the nearest neighbour group for children's services as listed below (in order of the closest neighbour):

1) West Northamptonshire
2) Nottinghamshire
3) Staffordshire
4) Lincolnshire
5) Derbyshire
6) Cumbria
7) Kent
8) Worcestershire
9) Suffolk
10) Warwickshire

Children's Social Care currently also use the LAIT statistical neighbours' tool for benchmarking, however, have a slightly different nearest neighbour group (in order of the closest neighbour):

1) Derbyshire
2) Essex
3) Kent
4) Lancashire
5) Medway
6) Nottinghamshire
7) Staffordshire
8) Swindon
9) Warwickshire
10) Worcestershire

There may be instances where it's more appropriate to use other benchmark sources other than those listed above, or as well as the main CIPFA default group. For example;

- We participate in sector led improvement groups which consist of regional benchmarking groups, such as the ADASS East Midlands Benchmarking Group. *Association of Directors of Adult Social Services.
- There is a service specific tool or NNC has been placed into a separate group of comparators by an independent governing body for specific services, such as the rough sleeping working group devised by the DLUHC for our Housing Team, the forthcoming NHS England Local Authority Peer Groups or the LAIT tool Children's Services.
- If another source uses more comparable metrics

When benchmarked comparative data is available, an analysis of this data is provided in the performance commentary for each indicator.

The availability of benchmarking data is regularly reviewed by Performance Officers together with service leads to ensure that the most accurate and up-to-date performance comparators are available.

How we Change Indicators and Targets In-Year

It is important that in-year changes to indicators are minimised, to ensure that reporting is consistent and reliable over time.

Occasionally, there is a need to update either the agreed definition of a performance indicator, or the target that was set, during the reporting year. This can be, for example, due to an update to National Indicator reporting, or to a significant change in service delivery requirements. There may also be a need to add or remove indicators in year, for similar reasons.

Where a change to an indicator or target is required in-year, this must be:

- Agreed with the Performance Team
- Approved by the Executive Director for Finance and Performance
- Reported to the Council Leadership Team and the Executive Committee
- Recorded on a list of indicators updated in-year, by the Performance Team

Data Quality

Embedding good data quality processes and governance is an integral part of the new data strategy.

Our Council runs on data and information and is a key asset for our business. We recognise the importance of reliable information to the delivery of excellent services to our customers. Data quality is crucial, and the availability of complete accurate and timely data is important in supporting customer care, corporate governance, management decisions, service planning, accountability and adherence to audit and inspection processes.

It's useful to have a common understanding of what we mean by data quality. It is most usefully defined in terms of how well outputs meet user needs, or whether they are 'fit for purpose'. Quality means that statistics/data fit their intended uses, are based on appropriate data and methods, and are not materially misleading.

The council has a number of data quality principles in place to ensure we create and embed a culture that puts data quality at the centre:

1. Everyone is responsible for assuring the quality of their data; Data ownership and accountability is clearly identified and established.

2. The importance of increasing and maintaining the quality of data and information is well understood and acknowledged.

3. We have a shared commitment to the continuous improvement of data quality. We ensure that all those responsible for data quality are appropriately trained.

4. We work together across teams and organisational boundaries to make the best use of data.

5. We share Data Quality reporting which is clear and appropriate to audience. Data Quality should be understood, and poor data quality acted upon.

6. Data requirements should be well-defined.

7. Activity to assure Data Quality should be planned and resourced.

8. We take responsibility for Data Security, ensuring clear control and 'ownership'.

Reporting

Strategic Performance Reporting

We collect and report performance data routinely at both operational and strategic level.

At strategic level, a performance indicator report which includes business critical KPIs is provided to the Council's Leadership Team, Executive Committee and Corporate Scrutiny Commission on a monthly basis. This includes those KPIs which are deemed significant and proportionate to report monthly due to their value and/or risk.

All remaining KPIs are reported via performance indicator reports on a quarterly basis to the Council's Leadership Team, Executive Committee and Corporate Scrutiny Commission. This report is broken down in to two appendices;

- Appendix A; Corporate Performance Indicator Report
- Appendix B; Organisational Health Performance Report

Appendix A provides a full breakdown of KPI performance information except for corporate and enabling services, including benchmark and time series information, comparison of performance against agreed targets, as well contextual narrative where relevant.

Appendix B provides performance information relating to the organisational health of the Council across Corporate and enabling services.

Contextual Performance Narrative

The contextual narrative should provide a clear, consistent and readable explanation of the current performance position. This commentary describes the causes of our current level of performance, highlighting vital context of which the data, on its own, doesn't otherwise give. This is especially important where we see a change in performance direction. Where performance is below target or is deteriorating, we describe actions being taken to address this. Where performance is above target, or is improving, we describe how this has been achieved.

Our style requirements for performance commentary are:

- Ensure that comments are written in complete sentences
- Ensure that comments are grammatically accurate and complete
- Do not make assumptions. Write commentary in layman's terms so that everyone and anyone can understand what is being explained.
- Avoid the use of Acronyms where possible – and spell them out in full the first time they are used, if not.
- Avoid the use of slang

The council encourages feedback and queries regarding the performance indicator report. This ensures that we have a consistent understanding of our performance so that collaborative effort can be made to improve it. Appendix 2 sets out the SLA for Officers to respond to queries raised by Members on the performance indicator report.

Operational Performance Reporting

The council also collates and reports on vast performance data at an operational level.

Management reports are collated and reported at service level on a regular basis. These reports seek to get closer and closer to 'real time' measurement, so the council can assess what's happening on an hourly, daily, weekly, monthly basis. These insights help us to do things better. They offer up important information about where systems, processes or people are 'falling behind' so that we can take corrective action quickly, solving the issue before it escalates. This real-time performance monitoring is not required for strategic measurement necessarily.

Links to Other Aspects of Performance Monitoring

Recording and reporting on performance indicators data is one part of the Council's approach to assuring and improving performance. Other key elements include:

- *Internal Audit* – the Council maintains a full, compliant approach to Internal Audit with routine assurance reporting provided to the Audit & Governance committee.

- *Risk management and Business Continuity* – the Council routinely assesses and monitors risk. Risk data is held in the Council's Risk Registers. Business Continuity risks are assessed, and plans are in place to ensure continuity in high-risk areas.

- *Contract performance monitoring* – Contract monitoring arrangements are specified as part of the Council's Contract Procedure Rules,

- *Partnership performance* – the Council collects and maintains data regarding the status and performance of our Significant Partnerships; this is reported annually.

Act

In order for us to understand what needs to be done to drive continuous improvement we first need to understand the performance data and any trends emerging that require intervention. Improvement activity is and should be driven by data i.e. the results that are being measured through reporting.

This is a collective task and will be supported by a range of approaches and tools which will help service areas identify performance areas in need of corrective action.

The performance of the corrective action should then be fed back into the performance management cycle so it can be measured, reported, acted upon and reviewed to ensure the cycle of continuous improvement.

It's important to recognise that identifying the need for corrective action doesn't always come out of performance reporting and can also be highlighted through;
- Internal audit
- Best value audit
- Self-assessment
- Consultation feedback
- External audit

Review

Members and Officer at all levels have a critical role in reviewing and monitoring objectives and performance. Appendix A outlines the different roles and responsibilities for each group.

The review process ensures that we remain on track for delivering our objectives. In reviewing and evaluating our performance, we gain valuable insight into what we're doing well and what still requires improvement. It also provides an opportunity to ensure we remain aligned to any priorities and commitments that may have evolved over time.

Performance management is a continuous cycle which is why the review element is so important. Overtime and with appropriate analysis and interpretation, data becomes information that enables us to better understand how we may need to refocus our interventions in order to optimise and deliver the most effective and efficient services. We then re-evaluate the outcomes of those decision and actions and so on and so forth.

How and When we Update this Framework
The Council's Performance Management Framework is reviewed and updated annually, in conjunction with our annual Performance Indicator collection and target-setting review. Both reviews are led by the Council's Corporate Performance Team. The next review of the framework is due by **31st March 2025**.

Appendix 1 Roles and Responsibilities

Executive Members
- Democratic accountability for service delivery and performance
- Approval and accountability of the Council Plan and associated policy framework including Performance Management Framework
- Consider performance indicator results and agree appropriate remedial action if necessary

Corporate Scrutiny Committee
- Scrutinising Council performance

Corporate Leadership Team
- Strategic management of the Council and oversight of performance
- Agreeing indicator sets to recommend to Executive
- Setting and modelling performance culture
- Monitoring and managing the progress of delivery, agreeing and ensuring remedial action where necessary

Directorate Management Teams and service managers
- Managing day to day service delivery and service performance
- Setting appropriate service level outcomes that align with the delivery of the Council's corporate priorities
- Monitoring and managing performance of these outcomes
- Setting and reviewing Management Performance Indicators at operational level, and using these in performance management
- Ensuring that these link to individual staff performance through the Council's Me Time framework

Internal Audit
- Audit performance indicators to assure of data quality and reliability and robustness
- Review Performance Management Framework to ensure fit for purpose

Performance and Intelligence Team and performance teams within services
- Ensuring that timely and accurate performance information is available in line with agreed reporting
- Data analysis where it is linked to the case for change and/or the drive for continuous improvement

All employees
- Where appropriate, to record, gather and collate information and data in line with good practice for the relevant service and case management system
- Review and reflect on their individual performance and associated development outcomes, via the Council's 'Managing Effectiveness (ME) Time' approach which is about having continuous conversations to consistently manage employee effectiveness and performance

Appendix 2 Providing feedback to performance queries raised within Committee Meetings

SLA is 12 working days from the meeting, following the below timeline:

- ➢ Date of Meeting is working day 0

- ➢ By working day 2 performance officer to:
  - Watch meeting recording and document the queries raised my members to be taken away for further response.
  - Send queries to Head of Performance (or relevant colleague who attended the meeting) for review and to add to as necessary.
  - Send queries to relevant performance owners / managers and Assistant Directors for response.

- ➢ By working day 4:
  - Relevant performance owners / managers and Assistant Directors to respond to performance officer with answer to queries.

- ➢ By working day 5:
  - Performance officer to chase responses if needed and send the queries and responses for relevant CLT / director sign-off. (Assistant Director sign off is sufficient in exceptional circumstances, such as where the relevant CLT member is not available within the required timescale.)

- ➢ By working day 8:
  - CLT / director feedback and sign-off to be received.
  - Democratic Services to send performance officer the extract of minutes relating to the performance item.

- ➢ By working day 10:
  - Performance Officer to combine responses into document, cross check this against the minutes and send to the Chair.

Two further working days will be allowed to account for circumstances such as staff annual leave, or for dealing with any contradictions found when reviewing the minutes.

This means the maximum response time is **12 working days**.