

ANGUS COUNCIL – 19 DECEMBER 2024

PERFORMANCE MANAGEMENT FRAMEWORK

REPORT BY IAN LORIMER, DIRECTOR OF FINANCE

1. ABSTRACT

- 1.1 This report presents the Council's Performance Management Framework which sets out a range of improvements to how performance is monitored and reported across the Council. The Framework is intended to provide the required level of accountability and assurances in relation to performance management arrangements, building on the current Performance Led (PLED) Council programme approach.

2. ALIGNMENT TO THE COUNCIL PLAN AND COUNCIL POLICIES

- 2.1 This report contributes to the priorities contained within the Council Plan, which focus on Caring for the Economy, Caring for our People, Caring for our Place and Angus Council is Efficient and Effective. This report links directly to the priority to:
- deliver our statutory obligations and core functions, tailored to suit our available resources and making best use of our data/ performance information.

3. RECOMMENDATIONS

- 3.1 It is recommended that the Council:
- (i) Notes that the Performance Management Framework includes a range of information relating to operational matters aimed at supporting officers to discharge their duties, while also including information which Elected Members may also find useful to support their scrutiny, strategy and policy decision-making roles;
 - (ii) Approves the Performance Management Framework (Appendix 1 refers), for implementation from 1 January 2025; and
 - (iii) Delegates authority to the Director of Finance to make minor changes to the Performance Management Framework during the initial 12-month implementation period, as part of the remit of the Performance Led Council Board, should these be required once the new Framework is operating.

4. BACKGROUND

- 4.1 The effective management of performance is a key component of any organisation. It encompasses everything the Council does, including every employee and elected member. It is a fundamental part of delivering Best Value.
- 4.2 Performance management arrangements are therefore closely linked to the Council's overall governance framework. In particular, the following core principles of the [Local Code of Corporate Governance](#):
- Principle F: Managing risks and performance through robust internal control and strong public financial management
 - Principle G: Implementing good practices in transparency, reporting and audit, to deliver effective accountability

5. CURRENT POSITION

- 5.1 The Council has, since its inception, managed, monitored and reported on its performance across a wide range of activities. This has included statutory performance indicators, financial performance, Local Government Benchmarking Framework and Corporate Governance among many others.

- 5.2 Performance Management is not something new and the Council's current arrangements have served us reasonably well. However, with increasingly stretched staff resources and limited financial resources, the need for a more consistent, coherent and effective approach to managing performance has never been greater. Since financial year 2018/19, the Council has sought to develop its performance management arrangements with a focus on the Performance Led (PLED) Council programme.
- 5.3 A recent internal audit (carried out by Azets), in relation to Performance Management and Monitoring, focused on the arrangements that services now have in place in order to ensure that they are in compliance with the new performance management processes adopted during Stages 1 and 2 of the PLED Programme.
- 5.4 The findings from the internal audit concluded that: *"The overall level of assurance given for this report is 'Limited' Assurance. It is important to note that, in this context the actual performance management framework adopted by the Council is generally considered to be sound. The matters identified for improvement in this report, for the most part, rest with the need to apply and embed the framework more consistently throughout the Council, which has led to a reduction in the overall level of assurance we can provide."* The summary findings from the audit were reported to the Scrutiny & Audit Committee at its meeting on 27 August 2024 ([Report 234/24](#), pages 10 to 13 refer).
- 5.5 A key area identified for improvement from the key findings was therefore that: *"Management should compile a comprehensive overarching Performance Management Framework document that pulls together the various pieces of guidance on performance management currently available to create an all-encompassing document to guide staff"*.

6. PROPOSALS

- 6.1 The management response to the findings from that internal audit has therefore been to develop a more holistic Performance Management Framework (PMF) to improve the assurances derived from the current PLED Council approach.
- 6.2 The PMF has been written for a broad range of stakeholders and adopts a holistic approach to performance matters. It therefore includes a range of information relating to operational matters aimed at supporting officers to discharge their duties, while also including information which Elected Members may also find useful to support their scrutiny, strategy and policy decision-making roles.
- 6.3 The draft version of the proposed PMF was shared at staff Leadership Forum events during October, and Employee Voice sessions during November, to ensure that colleagues from all levels and areas across the organisation had the opportunity to contribute initial ideas and thoughts.
- 6.4 Having received that staff feedback and input, the PMF is at a stage where it can be implemented operationally, and while it is recognised that it will continue to require refinements, it is proposed to apply the arrangements from 1st January 2025.
- 6.5 The Performance Management Framework (Version 1) is included in Appendix 1, and the key changes and improvements to the current operating arrangements include:
- Clearer oversight of the complex environment that the Council operates in, including the needs of customers, elected members and employees;
 - Clearer descriptions of accountabilities including outcomes, service performance, and the overall governance framework, setting out the main organisational layers;
 - A list of key Performance Items as a reference point to assist services prioritise performance management matters in relation to 'running the business';
 - Introducing an operational Performance Led Council Board with the remit to monitor, scrutinise and escalate (when required) emerging issues to the Corporate Leadership Team/ Change Board;
 - A new Performance Reporting Calendar that will cover corporate, service and statutory reporting requirements/ timings;
 - Further guidance on the approach to 'changing the business', including assessment criteria to guide whether an initiative should be included in the Change Programme;

- Clearer integration for managing risk across the organisation; and
- Further information in relation to the 'Tools for the Job', including specific reference to the requirement for all services to utilise Pentana as a fundamental and critical part of their obligations to deliver the requirements of the PMF.

6.6 Through the early adoption of these proposals, further development and refinements will be required through the initial implementation phase. It is also proposed that a full review of the PMF will be undertaken towards the end of 2025, taking cognisance of the learning over the initial 12-month period.

6.7 Key to the success and impact of the PMF will be the timely availability of key information which provides a sharper focus and early identification of performance variation that requires specific attention and potential intervention for improvement/ change, including (where applicable) input from elected members in the context of their scrutiny, strategy and policy decision-making role.

6.8 Accordingly, elected member feedback on the PMF will be critical in order to ensure it is aligned with members' needs. That input will be sought during the initial 6-month period of implementation so that feedback can also be factored into the ongoing development of the PMF.

6.9 Due to the live nature of the PMF as described above, it is proposed that the Director of Finance is given delegated authority to make minor changes during the initial 12-month implementation period, as part of the remit of the Performance Led Council Board.

7. FINANCIAL IMPLICATIONS

7.1 There are no direct financial implications arising from the recommendations of this report.

8. RISK MANAGEMENT

8.1 There are no specific risks arising from the recommendations of this report. However the Performance Management Framework will help to provide mitigation and increase internal controls in relation to the following corporate risks:

- Performance Management

9. ENVIRONMENTAL IMPLICATIONS

9.1 There are no direct environmental implications arising from the recommendations of this report.

10. EQUALITY IMPACT ASSESSMENT, HUMAN RIGHTS AND FAIRER SCOTLAND DUTY

10.1 A screening assessment has been undertaken and a full Equality Impact Assessment is not required for the following reasons: the Performance Management Framework is an initiative that will not directly impact people and is technical in nature, as it relates to how the council manages its resources, along with internal systems, processes and tools in relation to performance management.

11. CHILDRENS RIGHTS AND WELLBEING IMPACT ASSESSMENT

11.1 A Childrens Rights and Wellbeing Impact Assessment for the Performance Management Framework has been undertaken and a full assessment is not required as the "General Principles" do not apply to this proposal.

12. CONSULTATION

12.1 The Chief Executive and all Directors have been consulted in the preparation of this report.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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List of Appendices:

Appendix 1: Performance Management Framework