Item 3

16th August 2023

Glasgow City Council

Operational Performance and Delivery Scrutiny Committee

Report by Chief Executive

Contact: Cormac Quinn Ext: 73625

Strategic Plan: Performance Manual

Purpose of Report:

To present the Performance Manual to the Committee; and note future areas of development for the Manual on a yearly basis.

Recommendations:

The committee is asked to note this report and to:

- note the first iteration of the Performance Manual
- note that this is a live manual and will be continuously updated
- note that any further iterations of the Performance Manual will be notified to this Committee on an annual basis as a minimum; or sooner if there are significant additions or amendments that require notification.

Ward No(s):	Citywide: ✓
Local member(s) advised: Yes ☐ No ☐	consulted: Yes ☐ No ☐

1.0 Background

The Council Strategic Plan was agreed at Full Council in October 2022. The Operational Performance Delivery and Scrutiny Committee (OPDSC) is tasked with monitoring the delivery of the Plan.

1.1 In order to assist scrutiny; and to enable services to report consistently, a **Performance Manual** has been developed. This has been undertaken in line with recommendations of the Internal Audit of Performance; and in conjunction with colleagues in Internal Audit; with input from services and elected members. It will provide a common understanding of terms that relate to performance; and enable a consistency of approach when Performance related reports are submitted. The Performance Manual also includes reference to some of the terms used as part of the Strategic Plan framework (i.e. Grand Challenge/ Mission/ Commitment) in order to ensure clear context for the Performance Framework.

1.2 As part of the Internal Audit of Performance a review of Performance Management arrangements across all Council services was carried out. Managing performance is important for governance and accountability. It helps the Council to achieve Best Value and can help to demonstrate that it is delivering efficient and effective services. Having effective performance management arrangements provides an important mechanism for scrutinising performance, identifying potential areas for improvement and in driving decision making. The scope of the audit was to gain assurance that appropriate performance management arrangements were in place within each service. This included:

- Arrangements in place for the monitoring and reporting of service performance;
- Performance targets in place within the services are linked to strategic and service objectives;
- The process within services for the review and updating of indicators and targets;
- Arrangements in place within the services to ensure that performance information being presented is robust, validated, and reported in a consistent manner;
- Review and challenge of performance within services;
- Action is taken by services where targets are not being met and that the roles and responsibilities for this are clear and understood; and
- Arrangements in place within services to benchmark performance

The Internal Audit of Performance included a review of the performance management arrangements in place within Financial Services (FS), Education Services (EDS), Chief Executives Department (CED), Development and Regeneration Services (DRS) and Neighbourhoods and Sustainability Services (NS). The findings reflect the arrangements in place prior to the Council family

review which established the new Neighbourhoods, Regeneration and Sustainability Services (NRS).

2.0 Performance Manual

2.1 To support the work of the Committee; and Service Performance Management, the Performance Manual has been developed. The Performance Manual reflects the learning and recommendations in the Internal Audit of Performance and the debrief of the previous scrutiny Committee; as detailed at the last OPDSC meeting.

2.2 The purpose of the Performance Manual is to support Elected Members, Services, and Citizens to understand how performance is measured within the Council

- Importance of Performance management arrangements
- How we develop Performance measures
- How we ensure calculations/assessment of Performance Measures
- How we define our risks
- How we set our Actions to deliver performance and manage the risks
- How performance is measured for scrutiny
- How we Audit
- Glossary of Terms for Performance Management

3.0 Next Steps

3.1 As noted the work to develop the Manual was undertaken by the Corporate Policy and Governance team in conjunction with colleagues in our Internal Audit team; and with the input of Services Performance leads. The Performance Manual will be a live document and will at a minimum; be reviewed, on annual basis.

3.2 The Strategic Performance Working Group will also be involved in updating and monitoring the effectiveness of the Manual.

3.3. Any significant changes or suggested additions or amendments to the Manual; out-with the set annual reporting period, will be notified to this Committee as a matter of course.



Performance Manual

August 2023

Purpose of this Performance Manual

The purpose of this Performance Manual is to provide a clear guide for Elected Members Citizens, Officers and Services of how performance is managed within the Council, and across Grand Challenges, Missions, Strategies, and Action Plans (Milestones/Targets/Outcomes etc).

This manual would aim to provide the following:

- Importance of Performance Management arrangements
- How we develop Performance Measures
- How we ensure calculations/assessment of Performance Measures
- How we define our Risks
- How we set our Actions to deliver performance and manage the risks
- How performance is measured for scrutiny
- How we audit
- Glossary of Terms for Performance Management

1. Importance of Performance Management arrangements

It is clear from previous Internal Audit of Performance and the service responses within the review that there is a requirement for support and clarity around a number of key components of Performance Management that strongly suggest the benefit of Performance management.

In conjunction with internal audit colleagues and based on the audit recommendations the manual will focus on the delivery of Services responsibilities outlined by the Council Strategic Plan.

The main aim of performance management is to help services to achieve better outcomes; when addressing themselves to the key areas of responsibility within the Council Strategic Plan. Without reliable, timely and accurate performance management information, it is difficult for residents, members, scrutiny bodies and officers to know how the Council is performing.

Among the key recommendations from the Internal Audit of Performance were that:

- Management in all services should liaise with Corporate Policy and Governance to investigate the possibility of developing and implementing a central Performance Management Framework.
- Chief Executive Department (CED) Management should review the current arrangements in place to ensure that performance information being reported is subject to regular review and update and remains fit for purpose. Any required amendments should then be formally implemented and communicated to the relevant officers. Service Management should also ensure that formal approval of the suite of key performance indicators can be demonstrated.
- Demonstrate the link between the performance information being reported and service and strategic objectives.
- Ensure that the target setting process drive improvements in service performance. Where future targets being set are at a level below the performance achieved in previous years, management should ensure that robust record keeping is in place to demonstrate the reasons for this.
- Management from all services should review the current suite of key performance indicators to determine where documented procedures or process notes are required.

It can be helpful to think about the value of performance management at different levels within the council. Performance management is often seen as a tool for strategic leadership. However, used well, each piece of performance management data can influence improvement, manage risks to, and progress of delivery at a range of levels in the Council.

The Council Strategic Plan will involve and affect Council services outside of planning although other departments may not initially see the relevance to their area of work or the need to be involved in the process, it's a blueprint of the city's goals, planned projects to achieve those goals, and metrics to determine success. The Council Strategic Plan outlines how the Council will the address the Grand Challenges it faces.

The 2022-2027 Strategic Plan was approved at Council in October 2022. This sets out 4 key challenges and 230 commitments on how all council services will help address, support and deliver on the city's main priorities.

The four grand challenges which have been identified are:

- Reduce poverty and inequality in our communities
- Increase opportunity and prosperity for all our citizens
- Fight the climate emergency in a just transition to a net zero Glasgow
- Enable staff to deliver essential services in a sustainable, innovative, and efficient way for our communities.

The Grand Challenges clearly articulate a key overarching challenge that the Council and its partners face. The Grand challenges will underpin the focus of the Council's Strategic plan. These Grand Challenges may have a particular emphasis in some areas of Council delivery; but given the breadth of the challenges, will also typically cut across areas of Council delivery.

In order for the Council to meet the commitments outlined in the Council Strategic Plan, a process has been established to facilitate the management and performance measurement of these commitments.

The Corporate Policy Manager will liaise with the Strategic Performance Working Group to formally agree ownership of each Commitment in the Council

Strategic Plan. It will be the responsibility of owners to put in place appropriate Performance Management arrangements.

Owners should, where applicable, agree targets or milestones which show the key stages in achieving the outcome resulting from Commitments.

As with most of the activities undertaken by the Council, Performance Management will be undertaken in line with the 3 lines of defence model. This model breaks down how risk is managed and controlled into 3 main elements:

Level	Detail
Level 1 – Ownership of Risk	Service Performance owners will ensure that monitoring is put in place and that appropriate checks are embedded into the process to ensure that the measures provide an accurate reflection of progress, including risk management in line with the Council's risk management framework.
Level 2 – Management Oversight	Management oversight is a key source of assurance for the performance management process. This includes scrutiny by SMTs, Corporate Policy and Governance and the Strategic Performance Working Group, and where applicable OPDSC
Level 3 – Independent Assurance	Performance will be subject to regular review to provide independent assurance. This will primarily be conducted by Internal Audit, but may include other bodies such as the Council's External Auditor.

2. How we develop Performance Measures

Measuring progress is an essential part of setting an effective goal because it can help prioritise tasks and measuring progress can help to identify where things are going well and where improvements are required.

A good performance measurement system should have the following characteristics:

- It should be based on activities over which managers have control or influence.
- It should be measurable.
- It should be timely.
- It should be consistent in its application

Owners should review Council Strategic Plan Commitments and establish what should be monitored to measure performance. Where relevant, commitments should be risk assessed and broken down into tangible actions which will effectively manage identified risks achieve the desired outcome. These risks and actions should be monitored by setting out the milestones which will be passed for each. Where necessary is it also pertinent to consider dependencies with other stakeholders when considering risk and achievable timelines for delivery. Further information related to planning and delivery of activities and projects, including templates can be found within the Governance Management Toolkit.

Whilst not relevant for all commitments/actions, when developing performance measures, owners should seek to ensure that, where possible, they are 'SMART':

- Specific – should detail something definitive
- Measurable – should be able to be measured
- Achievable – ensure that any measure set is possible to achieve
- Relevant – measures should be relevant to your area of work
- Timed – measures should be based on a specific time period

All Council Strategic Plan performance measures should be agreed by the Service Senior Management Team (SMT), and any other performance measures considered service critical. Where applicable, the SMT should also agree the tolerance levels for the measures to be reported. When reporting, each

performance measure should be reported with a Red, Amber or Green (RAG) status which should be agreed by the relevant SMT.

3. How we ensure assessment of Performance Measures

It is essential that the process for the calculation and assessment of performance measures is robust and that the results are defendable when challenged.

Performance Measure owners should therefore ensure they comply with the following key principles:

Principle	Details
Transparent	Performance measure owners should ensure that the process for calculating and assessing performance is transparent and can be explained if challenged. Measures which require to be calculated should have the calculation method documented.
Evidence Based	Quantitative measures should be based on robust information sources. The source data used to calculate performance and the calculation should be retained. Qualitative measures should be assessed based on a reasonable consideration of the facts. The assessment should be recorded with the reasoning behind the assessment.
Defendable	Performance measure owners should be prepared to defend their calculation/assessment if challenged.
Up to date	It is essential that performance measures are calculated/assessed regularly and that the information provided to stakeholders is as up to date as possible.
Accurate	It is essential that performance measures are calculated/assessed accurately. Any caveats should be clearly explained when measures are being reported.
Consistent	In order to ensure stakeholders are provided with an assessment of performance which they can rely on, it is essential that performance is reported consistently in all locations/publications. Any differences due to timing or differences in definitions should be clearly explained.

4. How we define our Risks

Some of the key risks and associated mitigation actions in the Performance Management process are outlined below:

Risk	Mitigation Actions
Ownership of each performance measure is not clear or maintained.	Ensure that there is a designated owner for each performance measure, and also back-up arrangements so that the measure can be managed in absence of the owner.
Commitment in the Strategic Plan is not tangible enough to allow for performance measures.	Performance measures may not be required for all commitments in the Strategic Plan. SMTs should ensure, when setting actions, that they are relevant and recognise elements which may be outwith the control of the council (e.g. some commitments are to work with an external body).
Performance measures may be vague or uncertain.	When agreeing performance measures, owners and SMTs should ensure that, where possible, performance measures meet the SMART criteria. For Commitments which are aspirations, the resulting actions should be risk assessed and establish tangible activities which will be undertaken to help achieve the desired outcome.
Performance measures are not calculated regularly or accurately.	An agreed timetable should be set for when each performance measure should be calculated and reported. A process for calculating the performance measure should be documented so that the calculation will be consistent. Performance reporting should be a standing item on SMT agendas.
Performance issues are not identified in a timely manner to allow appropriate action to be taken.	Performance measures should be regularly reported to the relevant SMT. Where performance is not a green status, action should be agreed on how to address the performance issue including a realistic timeline. Performance measure owners should have an escalation process for highlighting risks and issues with performance outwith the regular SMT reporting arrangements to ensure that issues can be addressed in a timely manner and not left until the next reporting date.

Performance measure owners feel pressure to show progress.	Performance measure owners should have a clear reporting line so that risk to and issues with measures can be discussed. Explanations should be provided for any issues with performance measures so that there can be a discussion on how to make improvements.
Reporting of progress / lack of progress in performance measures may lead to poor reputation management.	When reporting progress or lack of progress on performance measure, particularly where there is a lack of progress, the possible reputational damage to the council (or its stakeholders and delivery partners) should be considered and an explanation / alternative performance measure details reported to mitigate this.

5. How we set our Actions to deliver performance and manage the risks

Owners must ensure that performance measures that they are responsible for are being actively monitored and must be satisfied that the performance measurement is an accurate reflection of progress being made.

Actions which support analysis of Performance Measures should be given a Red, Amber or Green (RAG) status to reflect whether they are on track for delivery.

Any risks or issues which may impact on delivery should be assessed and reflected in the updates provided to SMTs and OPDSC etc. Significant risks and / or issues should be escalated within a timely manner. Actions / mitigations to address the risks / issues should be developed and implemented; progress against these actions should also be monitored.

6. How performance is measured for scrutiny

In order to ensure that the Council is meeting the objectives set out in the Council Strategic Plan and elsewhere, it is essential that performance measurement is subject to appropriate scrutiny. There are two main aims of a scrutiny framework:

1. To ensure that performance measures are being accurately calculated/assessed and provide an honest and realistic assessment of the performance of the area being considered.
2. To consider the performance of each area and assess whether sufficient progress is being made, that risks are being managed, and whether action is required to address any concerns.

It is essential that performance measurement is subject to scrutiny throughout the process. The main stages are as follows:

Stage	Example of Scrutiny Activities
Regular Calculation/Assessment of Performance	Officers charged with the calculation of performance measures should ensure that their work is reviewed by colleagues to provide assurance that the calculation is correct and that the assessment of performance is reasonable.
Senior Management Teams	SMT members should • Ensure that appropriate measures and sufficient resources are allocated to the calculation and monitoring of performance information. • Consider the information provided and challenge the accuracy and reasonableness. • Consider the progress being made and determine what action may be required if progress is insufficient.
Committee (OPDSC)	OPDSC will receive regular reports outlining excerpts of performance monitoring information. Members will scrutinise performance and address any concerns.

	The Corporate Policy Manager will liaise with the Chair and members of OPDSC to agree the content and frequency of reports to Committee.
Internal Audit	Internal Audit will consider the Performance Management process when developing their risk based annual Internal Audit plan. Areas examined may include the calculation of indicators to ensure they are accurate and adherence to this performance management toolkit.

A Performance Template is provided in **Appendix 1** as an example of how we will measure Performance.

7. How we audit

In order to provide assurance that the calculation/assessment of performance measures provides an accurate reflection of performance, the process may be subject to review by colleagues, managers and by Internal Audit.

So that performance assessments can be explained, it is essential that performance measure owners maintain a robust audit trail of source data and assessment calculations/considerations. This should be stored in a central location which will be available even if roles/responsible officers change.

Internal Audit will consider performance management in their risk based internal audit plan and may ask for details of performance measure calculations/assessments at any time.

Support

- Where to go for support if needed
- What to do if you believe part of the process is not being followed correctly

If your are looking for support or have queries relating to performance please contact:

Alan Speirs at alan.speirs@glasgow.gov.uk or

Naghat Ahmed at naghat.ahmed@glasgow.gov.uk

8. Glossary of Terms for Performance Management

Key Terms	Definition
Glossary of Terms: High level	
Grand Challenge	The Grand Challenge clearly articulates a key overarching challenge that the Council and its partners face. The Grand challenges will underpin the focus of the Council's Strategic Plan. These Grand Challenges may have a particular emphasis in some areas of Council delivery; but given the breadth of the challenges, will also typically cut across areas of Council delivery. For the Strategic Plan they flow from the key challenges identified as needing to be addressed by the Covid Recovery and Renewal work.
Mission	Missions are high-ambition, high-profile initiatives which seek to address the Grand Challenges by putting forward concrete solutions; while also maintaining a clear, measurable, time-bound and realistic direction. Missions will aim to be bold, ambitious and inspiring and to be clear in their direction and purpose.
Commitment	The Commitment relates to the strategic response of a Service or Services to delivering a Mission. Essentially it details the commitment or commitments the service (s) undertakes to deliver the solution outlined in the Mission. Those Commitments outlined in the Strategic Plan may be grouped together with associated Actions outlined to achieve their aims.
Action	Action refers to the direct tactical activity undertaken to achieve the aims of the Commitment or group of Commitments. These actions can be a mix of Qualitative and Quantative Indicators. <u>Qualitative Indicators</u>

Key Terms	Definition
	These refer to performance measures which have elements of metric or numeric value that can be represented in reporting. They can be presented in reports in the form of percentages or in simple numbers depending on the context. <u>Quantitive Indicators</u> These refer to performance measures that are assessed on a more subjective basis taking account of progress against factors such as timescales, budgets and overall project completion. They may contain supporting narrative to outline the progress and detail any matters of interest to Elected Members relating to the action.

Key Terms	Definition
Glossary of Headings in Performance management template (Appendix 1)	
Milestone	A milestone is a specific point within a project's life cycle used to measure the progress toward the ultimate goal OR A key event during the life of a project, usually completing project deliverables or other noteworthy achievements.
Progress and Performance	Progress is the process of gradually improving or getting nearer to achieving or completing a plan
Planned Activity	A planned activity is a scheduled process in a project plan.
Lead Service	A lead service will collaborate with team members and services to complete their project work on time and within budget. Whether that's liaising with the project team about specific tasks, or working with other services to get things moving, collaboration is always important.
Dependency	A dependency is a logical, constraint-based or preferential relationship between two activities such that the completion or the initiation of one is reliant on the completion or initiation of the other.
RAG	RAG is an acronym that stands for Red, Amber and Green and is based on a traffic light system. These colours, like those in (UK) traffic lights, are used to denote the status of a contract or vendor in a way that relates specifically to your business objectives and priorities.
Sustainable Development Goals	Sustainable Development Goals or Global Goals are a collection of seventeen interlinked objectives designed to serve as a "shared blueprint for peace and prosperity for people and the planet, now and into the future.

Key Terms	Definition
Risk	Risk can be perceived either positively (upside opportunities) or negatively (downside threats). A risk is the potential of a situation or event to impact on the achievement of specific objectives

Key Terms	Definition
Glossary of Terms- Performance management	
Strategy	Strategy is where you will focus your efforts to achieve your goals, and how you will succeed. It defines a specific course of action that will take you from where you are now to where you want to be. A Strategy is a plan of action designed to achieve a long-term or overall aim.
Governance	Project governance is the means by which projects are monitored, controlled and reported.
Strategic Level	-Provides regular information from across the Council -Enables scrutiny and informed decision making -Provokes debate about what should happen next -Evidence progress against corporate priorities
Operational level	-Informs planning, resourcing, quality management and service delivery -informs workforce development and continuing professional development -informs service improvement
Front line	-encourages changed behaviours and approaches -enables the experiences of the public to be conveyed directly to strategic leaders -enables the public to understand how funds are being used and what improvements they should expect

Glossary of Terms- Management meeting acronyms

Key Terms	Definition
Council Management Meetings	
CMT	CORPORATE MANAGEMENT TEAM
CMG	CORPORATE MANAGEMENT GROUP
SMT	SERVICE MANAGEMENT TEAM
Council Committees	
CAC	CITY ADMINISTRATION COMMITTEE
FASC	FINANCE AND AUDIT SCRUTINY COMMITTEE
OPDSC	OPERATIONAL PERFORMANCE AND DELIVERY SCRUTINY COMMITTEE
PDCs	POLICY DEVELOPMENT COMMITTEE
PUBLIC	GENERAL PUBLIC
ALEO	ARMS LENGTH ORGANSIATION
GMG	GOVERNANCE MANAGEMENT GROUP

The project management Glossary of Terms provides an awareness of project management terms that link with performance management, risk and delivery of projects.

Further detailed definitions

RAG rating

Currently the council utilises a Red/ Amber/ Green traffic light system to provide an accessible method of determining the progress of actions in its performance framework. The Council's corporate RAG (Red / Amber / Green) rating system for Quantative measures where metric measurement is possible; is as follows

- **Green**
  A green rating indicates performance has exceeded target, met target or is no more than 2.49% outwith target
- **Amber**
  An amber rating indicates performance is between 2.5% and 4.99% outwith target performance
- **Red**
  A red rating indicates performance is 5% or more outwith the target Performance

Please note: As noted above where a target is not expressed as a numeric value and percentage assessments cannot be made; (a Qualitative Indicator), performance is assessed on a more subjective basis taking account of progress against factors such as timescales, budgets and overall project completion.

The tiered approach to delivering Policy

Policy

A policy is a course or principle of action determined at Local or National level that requires to be implemented by the Council.

Strategy

This is the method by which the Council will address the requirement of the Policy and the framework within which an action plan will be developed

Action Plan

These are the actions that are determined by the strategy; and undertaken within the framework of the strategy to support implementation and delivery of the Policy objectives.

Performance Template

Appendix 1

GRAND CHALLENGE (1-4): XXXXXX					
MISSION X: XXXXXXXXXXX					
Commitment X: XXXXXXXXX.					
Action	**Milestones**	**Progress and Performance**	**Planned Activity**	**Lead Service**	**RAG**
Commitment X: XXXXXXXXX.					
Action	**Milestones**	**Progress and Performance**	**Planned Activity**	**Lead Service**	**RAG**
Commitment X: XXXXXXXXX.					
Action	**Milestones**	**Progress and Performance**	**Planned Activity**	**Lead Service**	**RAG**

Policy and Resource Implications

Resource Implications:

Financial:	None
Legal:	None
Personnel:	None
Procurement:	None

Council Strategic Plan:

Grand Challenge 4:
Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities

Mission 4: Enable staff to deliver a sustainable and innovative council structure that delivers value for money

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.	Yes, by highlighting how general performance should be measured and reported the report seeks to assist in increasing people's knowledge about Equality and Fairness which supports the Equality Outcomes.
What are the potential equality impacts as a result of this report?	No EQIA required as the report is a summary report based on previous audit recommendations, and no policy decisions are initiated in this report.
Please highlight if the policy/proposal will help address socio-economic disadvantage:	Yes, by highlighting areas of work the report seeks to assist in increasing people's knowledge about Fairness and impact of policy/planning on socio-economic outcomes.

Climate Impacts:

Does the proposal support any climate Plan actions? Please specify:	*Not Directly*
What are the potential climate impacts as a result of this proposal?	None
Will the proposal contribute to Glasgow's net zero carbon target?	N/A

Privacy and Data Protection impacts:	Data collated with be handled in accordance with the General Data Protection Regulation

Recommendations

The committee is asked to note this report and to:

- note the first iteration of the Performance Manual
- note that this is a live manual and will be continuously updated
- note that any further iterations of the Performance Manual will be notified to this Committee on an annual basis as a minimum; or sooner if there are significant additions or amendments that require notification.