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**Manchester City Council  
Report for Information**

**Report to:** Resources and Governance Overview and Scrutiny Committee –  
16 December 2010

**Subject:** New Performance Management Framework

**Report of:** Assistant Chief Executive (Performance and Finance)

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**Summary**

The report outlines the development of the new Performance Management Framework. The report details the drivers for the development of the framework, the key features and the timeline for the consultation and approval process.

**Recommendations**

This report is submitted to the Resources and Governance Overview and Scrutiny Committee as part of the work programme, which has been approved by the Committee.

It is recommended that Members note the report.

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**Wards Affected:**

All

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**Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to four years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Manchester's Local Area Agreement  
Manchester's Sustainable Community Strategy  
Greater Manchester Strategy

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## 1. Purpose

- 1.1. Performance Management links the Council's priorities through service objectives to better outcomes for Manchester residents. It aligns resources – people, assets and finance across agencies to meet those needs. The new Performance Management Framework will provide Members and senior managers with the performance and financial information they need to make decisions about resources and feedback to residents on those issues they have identified as being most important to them.

The purpose of this report is to outline the process to implement a new framework by April 2011.

- 1.2. Members need good quality, timely and relevant information in order to scrutinise activity and assess value for money. Members need assurance that the decisions they make are being implemented effectively and that actions are taken to improve performance are working. The new Performance Management Framework will create a platform for the flow of good quality information on performance, research, risk and finance that will enable Members to make decisions based on a strong knowledge base and have assurance that those actions are being implemented effectively. It will enable identification of improved outcomes for Manchester residents, helping the Council to focus on priorities and deliver the ambitions for the city.
- 1.3. In the current climate of reduced resources there is a pressure for the Council and its partners to be effective, efficient and provide value for money. It is vital that the activity of the Council, council services and partners is transparent and held to account by Members and residents. The new Performance Management Framework will provide this accountability. Information will be presented in a transparent and easy to understand format that will be communicated back to Members, residents and staff at all levels of the council and the Manchester Partnership.

## 2. Drivers for Change

- 2.1. The Local Area Agreement is the current implementation plan for the Community Strategy and is due to finish at the end of March. The Comprehensive Area Assessment, Local Area Agreements and National Indicator Set have all been abolished, set against a background of an increasingly challenging financial environment. The new Performance Management Framework reflects this change and will help deliver Community Strategy outcomes. Information and intelligence from the new framework will be used to support evidence based investment, to support interventions, focus resources and support provision of improved services to the individuals and families who need them most in order to reduce dependency on public services.
- 2.2. There has been much progress made in relation to performance management and it is important that the lessons learnt through processes such as Member overview and scrutiny are built upon and incorporated into future work. The new framework builds upon the lessons learnt and good practice from previous performance frameworks and reflects the Council's drive for continuous improvement.

- 2.3. The new Performance Management Framework will include the delivery plan for the Community Strategy 2011 – 2014 and will replace the current Local Area Agreement from April 2011.

### **3. Linkages to other Strategies and Structures**

- 3.1. Manchester is subject to a number of strategies and delivery plans, which shape the way resources are deployed across the city. At a Greater Manchester level there is the Greater Manchester Strategy, which focuses on the economy, so that people contribute to and benefit from growth.
- 3.2. The Manchester Partnership's ten-year vision and strategic priorities for the city are set out in the Manchester Community Strategy (2006-2015). The Community Strategy is underpinned by the Local Area Agreement (2008-2011), which is the three-year delivery plan for the Community Strategy. The Corporate Plan articulates how we, as a Council, will deliver our contribution to the Community Strategy. It sets out both how our work is aligned to the corporate values of people, pride and place and how we will transform to continue delivering the most efficient and effective services for the people of Manchester. The medium term financial strategy (MTFS) supports the achievement of the Council's overall objectives and delivery of services and sets out the ways in which the Council will finance its services.
- 3.3. The new Performance Management Framework will link together the Greater Manchester vision, the Community Strategy and the operational day to day working of the council and its partners.

### **4. Governance**

- 4.1. There are significant and effective governance structures already in place within the city and council. Scrutiny is provided through Overview and Scrutiny Committee's and the business planning process organises the Authority to ensure the strategic objectives are delivered. These existing governance structures will form an integral element of the new Performance Management Framework. These include business planning and at neighbourhood and ward level, ward coordination and the Neighbourhood Funding Strategy.

### **5. Principles**

- 5.1. The new Framework will further develop the links between finance and performance. Members will be given information on cost, performance, risk and value for money. This will enable an improved understanding of the drivers for performance and the interdependencies between different indicators.
- 5.2. The Framework will be based on the plan-do-review-revise performance cycle:
- Plan: Understanding current performance, prioritising what needs to be done, identifying actions that need to be taken and planning for improvement.

- Do: Ensuring that the proper systems, processes and resources are in place to support improvement, take action and manage risk – helping people achieve better performance.
- Review: Understanding the impact of actions, reviewing performance, identifying value for money, speaking to users and stakeholders about their experience of performance and getting a better picture of changing circumstances
- Revise: Using the lessons learned from review to change plans or what is done so that future action is more efficient, effective and appropriate

This cycle will ensure that the framework provides Members with the information they need to lead and scrutinise but with enough flexibility to be able to change and adapt as new pressures emerge.

- 5.3. Inputs into the new Performance Management Framework will include value for money information through the Value for Money Action Plan and use of resources analysis, economic reports, ward profiles and business plans. The outputs of the Framework will include performance reports, business plans, resident priority updates and research into key performance drivers. These products will rely heavily on the information that goes into them and as such data quality will be an integral feature of the framework. Data quality will focus on raw data as well as performance indicators in order to improve the way data supports the smooth operation of the services.
- 5.4. Accountability to residents will be a key feature of the new Performance Management Framework. It is proposed that a system of accountability needs to build on Ward Coordination and neighbourhood mechanisms, such as Neighbourhood Partnerships for the Crime and Disorder Partnership, and go beyond the provision of information to enable a dialogue with residents. The quarter two telephone survey, which was conducted in September 2010, asked residents what they would want the Council and its partners to account to residents about. Around a third of residents surveyed said they wanted more information. Of the 30% that did want to know, the things they wanted to know about most were crime and antisocial behaviour and value for money.

## **6. Development Process**

- 6.1. Although there are significant changes planned, the new Performance Management Framework will evolve from the existing one. Many aspects, such as business planning, Corporate and Directorate performance Dashboards and financial monitoring already exist and will form part of the Framework as it develops.
- 6.2. We would welcome comments from the Committee, these will inform the next stages of development. The final proposal will go through the Council's and partnership governance structure and can, if the Committee wish, come back to Resources and Governance Overview and Scrutiny Committee in March.
- 6.3. The new Performance Management Framework will commence from April 2011.