Cheshire East Council Performance Management Framework

2025/26

Executive Summary

The Performance Management Framework (PMF) is how Cheshire East Council turns ambition into delivery. It provides a clear, structured way to track progress against our Corporate Plan, monitor the effectiveness of our transformation and improvement activity, and ensure that performance is managed consistently across the organisation.

This isn't just about KPIs and dashboards. It's about joining up strategy, delivery and improvement - and making sure everyone is clear on what we're doing, why it matters, and how we know it's working.

At its heart is the golden thread, a structured performance hierarchy that connects our strategic commitments to director business plans, change programmes, KPIs, and individual objectives. This clarity helps us drive delivery, target support, and hold ourselves to account.

The PMF covers:

- What we manage: The seven layers of the golden thread from the Corporate Plan to individual objective
- How we manage it: Clear expectations for setting and tracking both qualitative actions and quantitative KPIs
- Where performance is reported and discussed: A governance structure that supports grip, learning, and improvement
- How we review and adapt: An annual performance cycle that refreshes our plans and priorities based on what we're learning

Performance isn't just reported here - it's used. By identifying what's working and what's not, we help ourselves act early, stay focused on outcomes, and support one another to improve.

This framework applies to everyone, and its success depends on all of us, from frontline teams to senior leaders, using it with confidence and purpose.

1. Why We Have a Performance Management Framework

Cheshire East has committed to delivering its Corporate Plan 2025–2029 in full and with impact. To do this well, we need a clear and consistent way of tracking what we're doing, what difference it's making, and where we need to go next.

This Performance Management Framework (PMF) is the mechanism through which we do that. It brings together our strategic plans, transformation activity, and performance data into one joined-up system. It helps all of us - staff, managers, and leaders - stay focused, understand progress, and take action where needed.

We've always monitored performance in different ways, but this framework gives us a more consistent and joined-up approach. It provides a structure that's clear, proportionate, and useful, not bureaucratic or burdensome. It's about:

- Focusing our energy on the things that matter most
- Seeing clearly what's working and what's not
- Acting early when things are off track
- Giving everyone clarity and shared direction

- Building trust and accountability through openness

The framework isn't just about data or RAG ratings. It's about helping all of us - across every part of the organisation - to deliver better outcomes, make informed decisions, and embed a culture of learning and continuous improvement. That includes this division and this function, too.

This is a practical tool, not a shelf document. It underpins how we deliver our Corporate Plan, how we manage performance, and how we join up strategy, operations, and change. It is designed to be used at every level of the organisation - from CLT to frontline teams.

The rest of this document sets out how it works: the golden thread that links everything together, how we manage each layer of that thread, how we set targets and actions, and how we report and learn from what we're doing.

2. The Golden Thread

Everything we do should contribute to delivering the Corporate Plan. That means our work, our projects, our change activity, and our performance measures should all link clearly to our strategic aims. This is what we mean by the "golden thread".
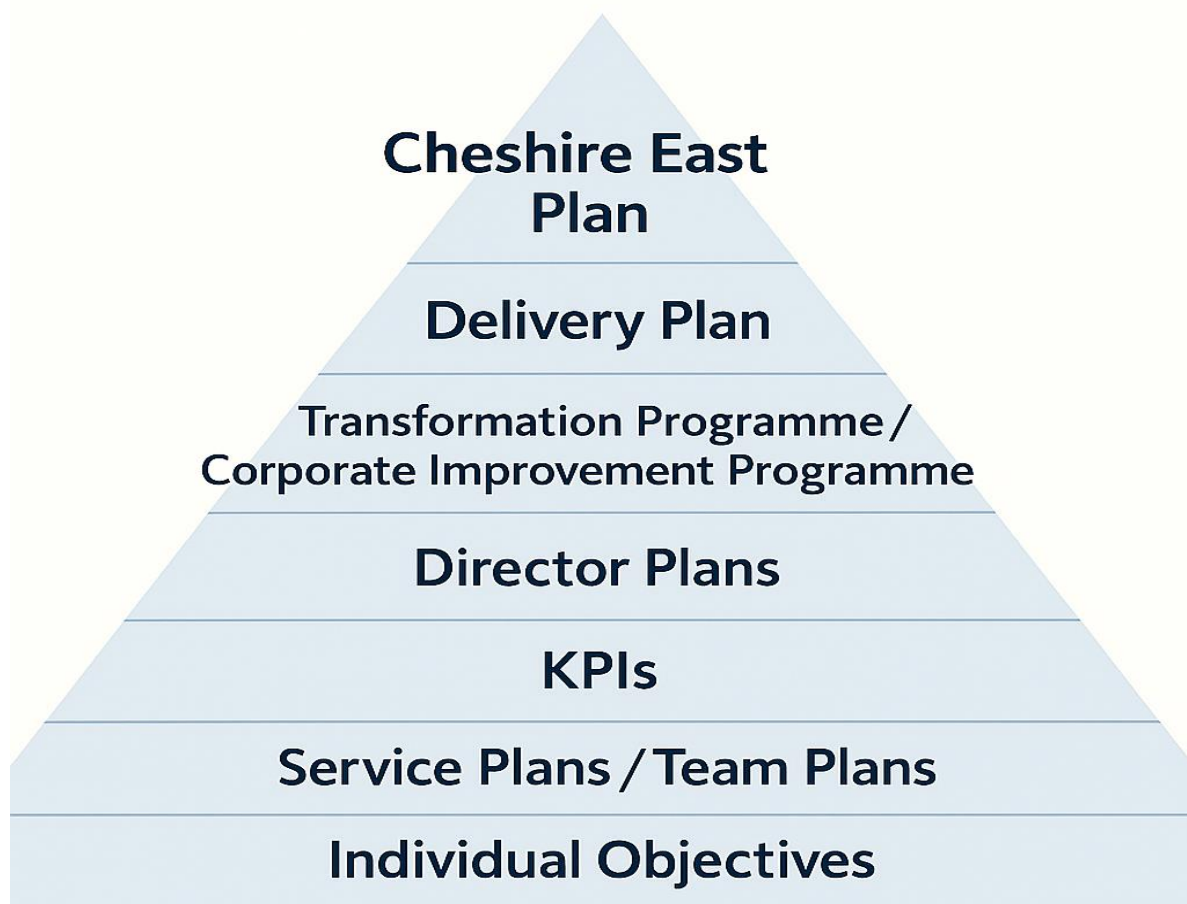
The golden thread gives us alignment - a clear line of sight from high-level priorities to everyday delivery. It helps every team and every individual understand how their work contributes to the bigger picture. It also helps senior leaders and Members make informed decisions, hold the organisation to account, and target support and resources where it's needed most.

We've structured our golden thread into seven layers. These are:

1. Corporate Plan – our strategic priorities and long-term outcomes
2. Delivery Plan – the key actions and programmes we're taking forward to deliver those outcomes
3. Transformation Programme / Improvement Programme – the major cross-cutting or service-led change activities that enable long-term improvement
4. Director Business Plans – each director's contribution to the plan, aligned to delivery and transformation
5. Key Performance Indicators (KPIs) – how we measure progress and impact
6. Service Plans / Team Plans – local delivery plans, reflecting statutory duties, business-as-usual and local projects
7. Individual Objectives – personal goals aligned to team, service or directorate priorities (led through HR processes)

These layers are connected. Each one builds on the one above it and supports the one below. If we manage each layer well - and join them up - we give ourselves the best chance of delivering real outcomes for residents.

The next section explains how we manage performance at each of these levels.

Cheshire East
Plan

Delivery Plan

Transformation Programme /
Corporate Improvement Programme

Director Plans

KPIs

Service Plans / Team Plans

Individual Objectives

2.1 Language and Terminology

To support clarity and consistency, Cheshire East Council uses the following structured terminology across all planning and performance activity:

Term	Definition
Priority Deliverables	The council's key delivery focus areas for the year, aligned to the Corporate Plan commitments.
Key Actions	Strategic actions directors are responsible for delivering to support Priority Deliverables.
Tasks	Operational activities linked to service delivery and team objectives.
Director-Led Corporate Responsibilities	Core corporate duties that every Director is personally accountable for — covering finance, compliance, risk and engagement expectations.

This structured language supports a stronger golden thread, making it easier for officers, Members and residents to understand how strategic priorities translate into delivery - and how accountability is maintained at every level.

3. Managing Each Part of the Golden Thread

This section sets out how we manage performance at each level of the golden thread. For each layer, we explain:

- What it is
- Who owns it
- How it's monitored
- How it connects to the rest of the system

3.1 Cheshire East Plan

The Cheshire East Plan is our strategic backbone. It sets out the Council's three commitments:

1. Unlocking prosperity for all
2. Improving health and wellbeing
3. An effective and enabling council

and the outcomes we want to see by 2029. Everything else in the system flows from it.

Ownership: The Corporate Plan is owned by the Council and led by the Chief Executive and Corporate Leadership Team (CLT). Progress is reported to the Corporate Policy Committee.

Monitoring: Progress is tracked through delivery milestones and strategic KPIs (Tier 1). These are summarised quarterly and reviewed at CLT and by Members.

3.2 Delivery Plan

The Delivery Plan translates the Corporate Plan into actions. It identifies the key programmes, policy shifts, and delivery activity that will move us towards our strategic outcomes.

Ownership: Coordinated by the Strategy, Policy and Performance function, with contributions from all directorates.

Monitoring: Reported monthly to CLT and the Strategy and Performance Board, and quarterly to the Corporate Policy Committee. Aligned KPIs and milestones are used to track progress.

3.3 Transformation Programme and Corporate Improvement Programme

This includes major change programmes and improvement projects - both cross-cutting and directorate-led. These are the things we're doing to change how we work and improve what we deliver.

Ownership: Owned by services but governed corporately through the Transformation and Improvement Board.

Monitoring: Programmes are tracked via delivery milestones, benefits realisation measures, and KPIs. Relevant Tier 1 or Tier 2 KPIs sit within the PMF.

3.4 Director Business Plans

Each director develops a business plan that sets out its key actions, risks, and contributions to corporate delivery. These plans link directly to the Delivery Plan and transformation portfolio and are part of the Council's corporate performance reporting cycle.

Ownership: Owned by Directorate Leadership Teams (DLTs) and led by Executive Directors.

Monitoring: DLTs review progress monthly. Strategy, Policy and Performance coordinates an annual business planning cycle and light-touch quarterly check-ins. These plans are reported to CLT and included in the quarterly report to the Corporate Policy Committee.

3.5 Key Performance Indicators (KPIs)

KPIs help us measure whether we're on track. They bring together delivery, outcomes, risk, and change into a visible performance picture.

We use three tiers:

Tier 1: Plan KPIs – aligned to Cheshire East Plan priorities, reported monthly to CLT and quarterly to Members

Tier 2: Priority KPIs – service-level or transformation-related indicators, monitored at DLTs and surfaced by exception

Tier 3: Operational Indicators – used locally by services for day-to-day management

All KPIs include clear targets, tolerances, and narrative expectations. This is covered in Section 4.

3.6 Service and Team Plans

These plans reflect local delivery priorities, including business-as-usual, statutory activity and internal improvement projects. They are not corporately monitored, but they matter for delivery.

Ownership: Heads of Service and managers.

Monitoring: Managed within services, supported by directorates. Can include operational indicators and local action tracking.

3.7 Individual Objectives

Everyone should be able to see how their work links to team and service priorities. This is done through the Council's approach to individual objectives and appraisals.

Ownership: Managed through the Council's HR and organisational development functions.

Monitoring: Line managers lead regular check-ins. This Framework does not replace HR processes but is aligned with them.

4. Setting Targets and Actions

Performance management only works if we're clear about what we're trying to achieve, how we'll know we've achieved it, and what we're doing when things fall short. This section sets out how we set and manage both qualitative actions and quantitative targets.

4.1 Setting and Tracking Actions

Actions are how we describe the practical steps we're taking to deliver. These can relate to projects, improvement activities, delivery milestones or other non-numerical commitments. Not everything we do can or should be measured through data alone.

Each action should be:

- Specific – clear about what is happening, where, and why
- Time-bound – with a clear start and end point
- Owned – with a named lead officer and appropriate oversight
- Tracked – updates expected through monthly reporting and governance

Strong actions make it easy to track delivery and accountability. We use a traffic light system for tracking:

- Green – on track or delivered
- Amber – at risk of delay or scope change
- Red – off track, not delivered, or not started when it should be

Where an action is off track, it should be accompanied by a short, clear update explaining:

- What's caused the delay or risk
- What is being done to recover
- Whether support or escalation is needed

4.2 Setting Targets for KPIs

Where we are using numerical indicators, we need clear targets that define what success looks like. These are set annually, or more frequently where needed.

Targets are:

- Baseline-driven – informed by local context, national data, current and/or past performance
- Realistic but stretching – pushing improvement while recognising capacity
- Co-owned – set between services and Strategy, Policy and Performance, and reviewed corporately
- Consistent – using agreed definitions and assumptions

4.3 Tolerance and RAG Ratings

We use a standard RAG (Red, Amber, Green) model supported by a tolerance band. This avoids knee-jerk reactions to minor fluctuations while flagging persistent underperformance.

Standard rules (higher = better):

- Green – performance is on or above target
- Amber – performance is within 5% below the target (not percentage points, but proportionately)

- Red – performance is more than 5% below the target

Example:

If the target is 85%, then the lowest value that counts as Amber is 80.75% (because 80.75 ÷ 85 = 95%). Anything below that is Red.

Tolerance is not a 'soft target'. It allows for minor variation while still holding the line on what success looks like. Tolerances are agreed up front and should not be adjusted mid-year unless re-baselined.

4.4 Reviewing and Re-baselining

We expect performance targets and actions to be reviewed annually as part of the business planning cycle. However, we recognise that circumstances change.

Re-baselining may be appropriate when:

- A service is significantly restructured
- A national target or regulation changes
- A new system or method of measurement is introduced

All requests to re-baseline must:

- Be evidence-based
- Go through the Strategy, Policy and Performance function
- Be approved at the appropriate governance level (usually Strategy and Performance Board and/or CLT)

Re-baselining is a managed process, not a reset button. It should be the exception, not the norm.

5. Reporting and Governance

We report performance regularly so that we can spot risks early, learn from what's working, and hold ourselves accountable. Reporting needs to be proportionate, reliable, and used - not just produced.

This section outlines who sees what, how often, and where things are discussed or escalated.

5.1 Monthly Reporting Cycle

The core of our reporting rhythm is monthly. This is where we keep momentum, track delivery, and resolve issues before they escalate.

Monthly reporting includes:

- Tier 1 KPIs (Plan KPIs)
- Flagged Tier 2 KPIs (where risk is emerging)
- Key delivery actions and milestones
- Narrative commentary and corrective actions

Narrative must explain performance, not just describe it - setting out what's behind the trend, what's being done, and what support is needed.

We also use reporting to celebrate success. When performance is strong - particularly in challenging circumstances - it should be recognised, shared, and used to build confidence and momentum. Highlighting good performance is as important as surfacing risks.

5.2 Where Performance Is Reported

Audience	Content	Frequency	Format
Directorate Leadership Teams (DLTs)	All Tier 1 and Tier 2 KPIs, business plan delivery, local risks	Monthly	Directorate performance packs
Strategy and Performance Board	Tier 1 KPIs, escalated Tier 2 issues, Delivery Plan actions	Monthly	Corporate performance dashboard
Transformation and Improvement Board	Progress on transformation programmes, benefits, improvement actions	Monthly	Highlight reports and milestone tracking
Corporate Leadership Team (CLT)	Tier 1 KPIs, cross-directorate issues, transformation alignment	Monthly	Highlight reports and dashboard pack
Corporate Management Board	Strategic risks, delivery blockers, performance themes	Quarterly	Strategic performance overview
Corporate Policy Committee	Headline outcomes, Delivery Plan progress, Tier 1 KPI summary, annual performance report	Quarterly	Public-facing performance report

This structure aligns with our officer governance model and supports both grip and learning. Performance is not just discussed when things go wrong, it's part of how we lead and manage.

5.3 Escalation and Ownership

Performance issues should be identified and addressed at the earliest possible stage. Escalation is about enabling early intervention, focusing support, and protecting delivery.

If performance on a deliverable or KPI is consistently off-track (e.g. Red RAG for two consecutive quarters, or significant deviation from agreed trajectory), it should be escalated to the relevant Directorate Leadership Team (DLT) first.

Where issues cannot be resolved locally, or where delivery risk is strategic (e.g. Tier 1 KPI failure, reputational risk, or financial impact), they should be escalated further through the corporate governance structure. This includes escalation to:

- The Strategy and Performance Board
- Corporate Management Board

- Corporate Leadership Team (CLT)
- Corporate Policy Committee (CPC) where appropriate

Tier	When to Escalate	Where it Escalates	Notes
Tier 1 (Corporate Plan KPIs/Key Deliverables)	- Red RAG status for two consecutive quarters - Missed critical milestone - Strategic risk identified	1. Strategy and Performance Board 2. Corporate Leadership Team (CLT)	Mandatory escalation. Will also be visible to Corporate Policy Committee as part of quarterly reporting.
Tier 2 (Director/Organisational Priorities)	- Red RAG status for two consecutive quarters - Material delivery risk	1. Strategy and Performance Board 2. Escalate to CLT if risk is significant and unresolved	Case-by-case escalation to CLT depending on severity and cross-organisational impact.
Tier 3 (Operational Service KPIs/Tasks)	- Persistent failure with local impact	Directorate Leadership Team (DLT)	Escalate upwards only if unresolved locally or if risk grows.

Example Scenario

A Tier 1 KPI measuring the uptake of apprenticeships by care leavers shows Red status for two consecutive quarters. The Service Manager raises the concern with the Directorate Leadership Team. The Director reviews the delivery risks and escalates the issue to the Strategy and Performance Board and CLT, recommending that a recovery plan be developed and monitored corporately. This ensures early intervention and enables collective support.

6. Reviewing and Refreshing

Performance management isn't a one-off exercise. It's a cycle - setting direction, delivering, learning, and improving. That means our framework, targets, and actions need to be reviewed regularly to stay relevant and effective.

This section sets out how we review and refresh our performance system, and how we use learning to inform what happens next.

6.1 Annual Review Cycle

Each year, we carry out a structured review of the key elements of the PMF:

- Delivery Plan – updated to reflect progress, shifts in priorities, or new demands
- Transformation and Improvement Portfolio – reviewed and refreshed annually to reflect capacity, impact, and benefit
- Director Business Plans – updated through the annual business planning cycle
- KPIs and Targets – reviewed to ensure they remain meaningful, stretching, and proportionate
- Service and Team Plans – refreshed locally to reflect current delivery priorities and risks
- Individual Objectives – managed through HR-led appraisal processes

The Strategy, Policy and Performance function leads this annual refresh, coordinating timelines and ensuring alignment across the golden thread. The goal is to align what we're doing with what we're trying to achieve - not to start from scratch each year.

6.2 Continuous Improvement and Learning

We don't just review performance to meet deadlines or produce reports. We do it to improve how we work, learn from what's working (and what isn't), and adapt to changing needs.

We encourage:

- Honest reflection in performance reporting
- Use of insight and data to shape decision-making
- Sharing examples of good practice and innovation
- Early identification of delivery risks - with support, not blame

CLT and the Strategy and Performance Board play a key role in reinforcing this culture. We want every directorate and team to feel confident using performance to improve outcomes, not just chase numbers.
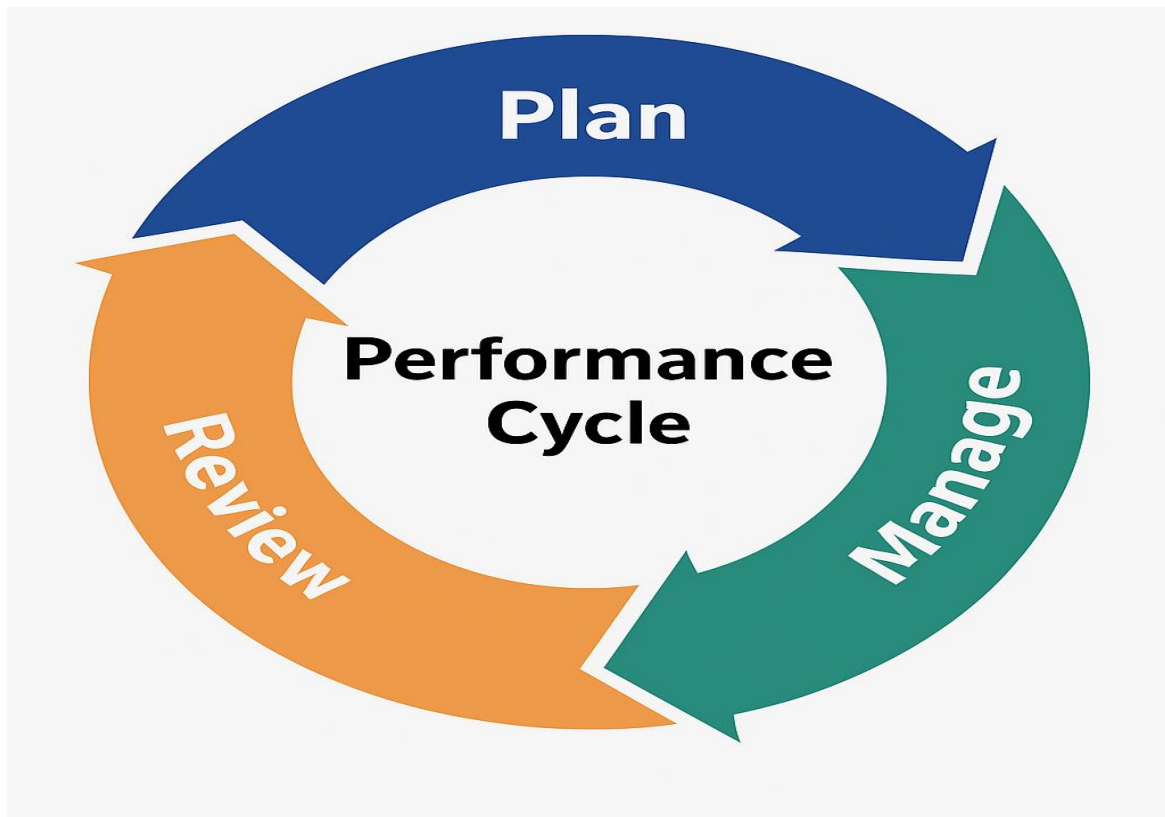
6.3 Making Changes to the Framework

The PMF is a living document. While its principles are fixed, we may adjust elements of the framework itself (e.g. thresholds, formats, templates) based on feedback and maturity.

Changes to the framework will be:

- Proposed by the Strategy, Policy and Performance function
- Tested with users and governance leads
- Signed off by the Strategy and Performance Board or CLT, depending on scale

A formal review of the framework will take place each year as part of the planning and reporting cycle.

6.4 Making It Work Together

This framework is about building confidence, clarity and capability across the organisation. It's how we stay focused on what matters, how we learn and adapt, and how we make sure we're delivering for our residents. It's not a compliance exercise - it's part of how we lead. Everyone has a role to play in making it work.

Appendices

This framework is supported by three key documents:

- Target Setting Protocol - Detailed guidance on how to define actions, set targets, and apply tolerance rules.
- Escalation Framework - Sets out when and how performance concerns are escalated within the council.

- Business Planning Template and Guidance - Used by all directors to complete their annual business plans.

Glossary

Term	Definition
RAG	Red–Amber–Green rating system used to indicate performance against targets.
CLT	Corporate Leadership Team — senior officer leadership group.
CPC	Corporate Policy Committee — key member body for policy and performance oversight.
DLT	Directorate Leadership Team — senior leadership group for each directorate.
KPI	Key Performance Indicator — a measurable value to track progress.
Tier 1	KPIs directly linked to Corporate Plan delivery.
Tier 2	KPIs important to directorate delivery or internal priorities.
Tier 3	Operational or service-level performance indicators.
SPP	Strategy, Policy and Performance — the team coordinating the PMF.
MTFS	Medium Term Financial Strategy — the council's multi-year financial plan.
Transformation Programme	Major change projects linked to strategic outcomes.
Improvement Portfolio	Activities linked to statutory or inspection-led improvement.