

BODIES: SCRUTINY COMMITTEE

DATE: 5 July 2010

SUBJECT: Managing Performance - Corporate Improvement Progress

REPORT OF: Deputy Chief Executive and Head of Strategy and Democracy

Ward(s): All

Purpose: In view of some of the comments made in the 2008/09 comprehensive area assessment in respect of the Council's strategic planning and performance management arrangements, to advise Scrutiny Committee on measures taken from October 2009 to the present for:

1. Improving our performance management regime during 2009/10.
2. Implementing further improvements for 2010/11.
3. Putting in place ongoing sustainable improvements for 2011/12 and beyond and;

To seek endorsement for the actions and activities taken so far and still to come.

Decision type: Non-Key Decision

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**Recommendations
to Cabinet for
Scrutiny
Committee to
comment:**

1. To note the actions and activities taken so far as set out in this report.
 2. To endorse the action plan of ongoing activity set out in the project brief document in appendix 2.
 3. That Cabinet approve the undertaking of a 'critical friend' assessment of our managing performance improvement journey by GOSE.
 4. That the proposed consultation activity in 2010/11 as set out in paragraph 5.3 below be approved subject to detailed content and timetable being delegated to the Chief Executive in liaison with the Leader of the Council and the Chairman of Scrutiny Committee.
 5. That the release of a total of £6,775 one-off monies from the Strategic Change Fund be approved to supplement the £25,000 received from Improvement & Efficiency South East [IESE] in 2010/11 to fund the acquisition of the Covalent Performance Management System
 6. That consideration be given to the release of a further £3,000 to enable expansion to 25 Covalent system users
 7. That the potential release of a further £32,000 from the Strategic Change Fund to resource improvement work with the Audit Commission in 2010/11 be delegated to the Chief Executive in consultation with the Leader.
 8. That the need for ongoing annual base budget revenue funding of £6,500 for Local Futures and £6,375 for Covalent from 2011/12 be noted.
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1.0 Background

- 1.1 In 2009, the Council was subject to Comprehensive Area Assessment (CAA) for the first time. The assessment process considered the performance of the Council during 2008/09 and was in two parts, namely 'Use of Resources' and 'Managing Performance'. Although the Council scored a rating of 2 out of 4 for Use of Resources, the subsequent rating of 1 out of 4 for Managing Performance brought the Council's overall score down to 1 which is considered "Poor".
- 1.2 The overall organisational assessment of the Council on its 2008/09 performance indicated that, whilst delivery of many of our front line services was good, there was a need for significant improvement in the effectiveness of our strategic planning, performance

management, and associated community engagement activity.

1.3 The assessment suggests that we have been relatively weak in our ability to demonstrate that we can set strategic priorities based upon robust evidence and intelligence. It also points to an associated weakness in our ability to demonstrate robust performance management and effective outcomes resulting from our actions.

1.4 We have moved to quickly identify the key areas of weakness that needed addressing. Broadly, these can be summarised in the following 8 key bullet points:

- Our “community” and “place” knowledge and evidence base.
- How we demonstrate robust priority setting based on evidence.
- How we engage with the community in setting and validating priorities.
- How we reflect our evidence, priority themes and key actions in corporate planning.
- How we use service and financial planning to reflect that our operational resources and activities are primarily focused on our corporate priorities and delivered in the most cost effective ways.
- How we manage our progress and performance against our target measures.
- How we obtain feedback in order to measure the impact of our outcomes.
- How best we are able to present our priorities, targets, outcomes, and impact in a way that is clear and robust for external inspection.

1.4 Following the assessment, we have embarked on a substantial programme of change in order to address our weaknesses in managing performance. This programme has been undertaken principally to improve the Council’s prospects for re-assessment of the 2009-10 year, although it is now known that CAA has been ceased (see paragraph 10 below). However, an equally key ambition set out in our recently approved 2010/11 corporate plan within the priority theme of “Sustainable Performance” is for Eastbourne Borough Council to become a high performing local authority evidenced by sustained improvement against any regulatory frameworks and inspection regimes in the future. On this basis, the investment made to date has been fully justified as necessary to make the Council a more effective organisation.

2.0 Our Approach

2.1 It is recognised that significant improvement can only come from new thinking and by utilising available partnership assistance. To that end, we have been working closely with the Audit

Commission's Advice and Assistance Unit and Improvement and Efficiency South East (IESE) in developing new initiatives, acquiring fit-for-purpose systems, and improving existing practices in this area. In this regard, IESE have provided us with significant funding to assist with our improvement journey, namely c£5k in respect of the year 1 subscription costs for the Local Futures Data Observatory, and a further £25k to be utilised to offset the acquisition costs of the Covalent Performance Management System.

- 2.4 This report sets out the ongoing progress and future plans that have been developed so far in addressing the 8 key bullet points set out above. While an enormous amount of effort and progress has been made over the last 8 months, it must be understood that we are on an improvement journey and there is still much to be done over the coming year and beyond.
- 2.5 The 8 bullet pointed key areas are addressed in turn below although there is considerable cross-over between the points. In addition, and in order to more graphically show our aims and objectives, **appendix 1** charts what robust, joined up corporate planning should look like and establishes this as our ultimate goal. **Appendix 2** sets out the Improvement Journey Project Brief developed with IESE which includes our action plan of key activity in 2010/11 and is fundamental to the process of securing IESE funding contributions.
- 2.6 We have been working closely with the Audit Commission's Advice and Assistance Unit with a view to working together on our performance improvement journey in 2010/11. To that end, we have jointly developed a draft scoping document outlining the areas and methodology to be used. This is set out in **appendix 3**. However, there is a cost to this arrangement and, given the demise of CAA and the current uncertainty about future inspection, it may be prudent to put this on hold for the time being (see paragraphs 10 and 13 below for further details).

3.0 Key Bullet Point 1 – Building Knowledge and Evidence

- 3.1 An important foundation to long term corporate planning and priority setting is a solid evidence base, specifically demonstrating an understanding of Eastbourne as a place and, in the context of relevant comparable information, establishing the key priorities to address. Perceived knowledge of the important issues is compromised without the benefit of robust evidence to substantiate that knowledge.
- 3.2 In order to improve the evidenced knowledge of Eastbourne as a place, we have acquired subscription to a web based service called Local Futures. This brings together some 2000 different datasets of officially recognised statistics covering a wide range of subject themes which enables us to place Eastbourne in context at local,

regional and national levels. In the recently approved 2010-2015 Corporate Plan, we have used relevant Local Futures data to inform our current priority themes and therefore steer our key priority projects for 2010/11 within each theme.

- 3.3 At the time of writing the Corporate Plan, we had the availability of Local Futures for a very short time so our use of it was relatively limited. However, as we move forward we will be able to use this service in more detail in future plans and reports and, most importantly, be able to chart where the outcomes of our key activity begins to have a demonstrable effect on the community.

4.0 Key Bullet Point 2 – Improving Priority Setting

- 4.1 A sustainable, high performing Council understands the needs of its community and prioritises its activity to meet those needs. To this end, the Cabinet received reports from the Chief Executive in October and December 2009 and, as a consequence, approved the refinement of the Council’s headline priorities down from 6 to 4, these being Prosperous Economy, Thriving Communities, Quality Environment, and Sustainable Performance.
- 4.2 As stated in paragraph 3 above, the evidence gleaned from Local Futures so far has been used to provide the available contextual data relevant to the 4 new priority themes and thus form a basis for future analysis of the actual impact being achieved as a result of our actions. In addition to Local Futures, the new priority themes were established having regard to the 2009 Place Survey results.

5.0 Key Bullet Point 3 – Better Community Engagement

- 5.1 We recognise the need for a more co-ordinated approach to corporate community engagement. The Council does undertake extensive consultation on a variety of issues and the outcomes of these consultations are displayed on the web site and used as information to support specific reports. In addition, the Council has, over the last few years, conducted various types of public consultation with regard to annual service and financial planning and budget setting. In 2009/10 there was public consultation available online and in the customer contact centre asking the community for views on where they would spend more or less and which services needed particular improvement. This was quite a low-key form of consultation but was considered reasonable given the more detailed “SIMALTO” consultation in the first year of the current Administration.
- 5.2 In addition to the consultation activity outlined in paragraph 5.1 above, the full text of the 2010-2015 Corporate Plan was examined by volunteers from existing community groups who made a number of suggestions with regard to the document’s plain English clarity. These suggestions have all been incorporated into the final

document.

5.3 What is proposed for 2010/11 is a high level consultation process, engaging the community in respect of:

- The Council's priority actions/projects for 2011/12
- Associated resource priorities
- Perceptions of the town and the Council – questions taken from the Place Survey which is unlikely to occur this year

As well as making the consultation available to all members of the public through the web site, we will seek to engage directly with the Council's existing Community and Stakeholder Groups as well as the Citizens Panel. This activity will be designed and delivered as part of the service and financial planning timetable. It is further proposed that the consultation activity be jointly owned by the Cabinet and the Scrutiny Committee.

6.0 Key Bullet Point 4 – Strategic Corporate Planning

6.1 The annual programme of priority Council activity should be defined by the content of its Corporate Plan. It is the evidence, action, performance and impact of this plan that is the key document on which the Council is judged.

6.2 The 2009/10 Corporate Plan was based on the previous 6 priority themes with associated key actions, specific projects and stated outcome targets. It is our performance against the objectives of this plan that we will be judged under any external inspection in the current year. Since October 2009, significant work has been undertaken by lead members and officers to develop an improved Corporate Plan for 2010/11, within the period 2010-15. Within this new Corporate Plan, each of the Council's 4 new priority themes has a dedicated chapter setting out officer and member theme owners, evidence based contextual data, a 5-year vision and current year key projects with specific milestones and local and/or national performance targets.

6.3 Each year, within its 5-year lifespan, the Corporate Plan will be re-published with new/ongoing annual priority projects and associated targets. The key to successful ongoing corporate planning will be showing how our annual key projects steer us towards our longer term visions, and how effectively we are able to show year-on-year outcome related evidence through Local Futures data and community feedback. We can then use that as a robust guide for refining projects and priorities in subsequent plans.

7.0 Key Bullet Point 5 - Service and Financial Planning

7.1 Local Government is certain to face significant challenges ahead in respect of available resources and the way in which we operate to

become sustainable. Cabinet and Corporate Management Team have been working together closely to implement priority based service and financial planning that will effectively support and deliver the Council's priority based corporate plan objectives. The goal is to ensure that the services which have the most impact on the Council's stated priorities are appropriately sourced and resourced whilst considering alternative cost-effective service models in other areas. It has also been acknowledged that, as an organisation, Eastbourne Borough Council needs to evolve from being primarily a transactional hub towards being an effective community leader.

- 7.2 In the next stages of the process, operational Service and Financial Plans will be developed in each of the Council's service areas which clearly state the current position regarding the make-up, purpose and costs of the service in question, relationship to the corporate priorities, and alternative service options for the future. These will be brought together into four high level departmental plans for subsequent consideration by members.

8.0 Key Bullet Point 6 – Robust Performance Management

- 8.1 One of the key problems we have faced in the past is our ability to collate, monitor, manage and present performance data without the benefit of a proper framework and tool. To resolve this, we undertook an examination of the available systems and, earlier this year, procured the Covalent performance management system. This is widely acknowledged as the market leader and is used by a growing number of local authorities. Prior to deciding on Covalent, we received a presentation from representatives of Tunbridge Wells Borough Council so as to get impartial feedback from an existing user.
- 8.2 Covalent enables us to build performance management "dashboards" at various levels showing how a service or project is performing against its targets and flagging up where intervention is necessary. The system will also enable us to log and monitor other key activities such as risk management and customer feedback. Initially, we have purchased the system with 10 user licences only in order that central operating staff can build the information in a way suitable for our purposes. Because of the anticipated CAA re-inspection, we have initially prioritised the inputting of performance data and associated evidence relevant to the 2009/10 Corporate Plan. It will then be expanded to manage the 2010/11 Corporate Plan, Service and Financial Plans, associated action plans etc.
- 8.3 At the start of this calendar year, Strategic Performance staff met with all operational managers across the Council on an individual basis to undertake a performance management audit. As a consequence, we now have a large amount of information on each service covering their key purpose, measures and targets and

corporate priority links. This information will be invaluable in helping to populate the Covalent service area dashboards over the coming year.

- 8.4 We have also made improvements to our performance monitoring/management regime. Corporate Management Team now have a regular standing item on its agendas for priority theme owners to report on progress against corporate plan project targets. This will enable us to demonstrate robust performance management and evidence of intervention when required. In addition, quarterly performance reports will be presented to members (Scrutiny and Cabinet) using Covalent in the future.
- 8.5 Throughout 2009/10, quarterly performance reports to Cabinet have been aligned with financial reporting. This has enabled the authority's performance to be viewed in context to its resources and enable more informed management decisions to be made.

9.0 Key Bullet Point 7 – Obtaining Feedback on Outcomes

- 9.1 As part of preparing for anticipated external inspection this year, we have made considerable effort to ensure that we gather in as much community feedback evidence as possible to support our performance data and outcomes. It is very important that, as well as measuring service and project progress and outcomes, it is equally important to measure the impact of the service or project. As we continue to develop our use of the Covalent system we will be utilising the customer feedback module so as to better catalogue such evidence in the future.
- 9.2 Officers across the Council and Members have been busy identifying good impact feedback and sending it to us and this will all be used as part of our supporting evidence. For example, we have a considerable dossier of community feedback on the impact of approved devolved ward budget projects in 2009/10.

10.0 Key Bullet Point 8 - Readiness for Inspection

- 10.1 We now know that the 2009/10 CAA inspection process has been ceased and that CAA has been abolished. This is, in many ways, regrettable as we believe the Council has made great strides towards what would have been an improved score in this regard. However, irrespective of the regulatory landscape, it is vital for EBC as an organisation that we implement effective performance management processes and develop a performance management culture. Therefore, we have continued the work on gathering all performance data and supporting evidence relating to 2009/10 corporate plan key actions and projects and have made this information available on the Covalent system. The acquisition and use of Covalent has made a huge difference to our ability and capacity to present information in a way that is more accessible and

transparent. A great deal of information has been placed on the system and provided for inspection including:

1. Performance outturns relating to the Corporate Priority key actions and associated projects.
2. Contextual information and outcome evidence to support outturn/performance data.
3. Core service improvement evidence particularly those areas specifically contributing to Corporate Plan priorities and in areas previously considered poor.
4. Progress on our corporate improvement journey including the information contained in this report and other ongoing progress eg. DRIVE and Agile Working.

11.0 The offer from the Government Office for the South East

The current position is that we know of the immediate abolition of CAA but we have yet to receive information on any replacement assessment regime – indeed the new Government’s emphasis is on ‘localism’ and a significant reduction in external inspection and performance management.

Given that it is unlikely that an alternative form of assessment regime is imminent, we have to face the issue that Eastbourne is currently assessed as poor under organisational assessment with no opportunity to show an improvement under re-assessment. A huge amount of improvement work has occurred and it would be useful to seek an independent view of our progress over the last year.

The Government Office for the South East (GOSE) have acknowledged that we have already initiated a drive to better performance and want to demonstrate transformation to our own residents, and to realise and communicate our corporate priority ambition to be an efficient and fully effective local authority. To this end, GOSE are offering themselves in the role of ‘critical friend’ in order to produce an independent commentary on our progress, as an input to our own self-assessment This would not in any sense be a formal organisational assessment, and is entirely voluntary, but, applying their ‘good to excellent’ methodology, GOSE would be able to recognise our achievements so far; and help identify any remaining areas for improvement. This would give us a basis for future action planning, provide us with a narrative to communicate to our community, and provide independently viewed evidence of our improvement journey progress ahead of any future inspection regime.

12.0 Consultations

- 12.1 Following the 2009 CAA inspection, a report was submitted to Scrutiny Committee in February 2010 with an analysis of the outcome. As a consequence, a Scrutiny Review team was set up

involving Councillors Howlett and Purchase and both have been involved in reviewing the outcome of the previous inspection, the development of the IESE project brief and the content of this report.

- 12.2 As stated earlier, the content of the 2010-2015 Corporate Plan was viewed and contributed to by volunteer representatives of community groups.
- 12.3 There have been extensive discussions with representatives of IESE and the Audit Commission in bringing us to this point and in respect of future planned work.

13.0 Resource Implications

- 13.1 As shown on the IESE project brief at **appendix 2**, the funding of the Local Futures subscription in 2010/11 has been fully met by IESE. However, the Council will need to continue to fund this in future years if it is thought useful to continue. This will mean an ongoing annual revenue cost of **£6,500** from 2011/12 which would include the basic subscription and the cost of an annually published headline place profile document for Eastbourne.
- 13.2 The remaining IESE contributory funds of £25k effectively pay for the initial purchase of the Covalent system although there is a minor shortfall of **£1,150**. However, the Council will need to fund the cost of annual system support and user licences. In the current year, this is based on 10 system user licences. However, to fully exploit the system we estimate the need to expand the user licences further. It is proposed that we make an initial increase to 25 licenses in order to allow access to managers from priority areas and enable specific area based reporting to be managed through the system. It is difficult to say when we will be in a position to make full use of 25 licences but it would be useful if authority was given to release this funding in the current year. Once the Covalent system is populated and more fully tested, it would be beneficial to open the licensing further to enable more individual access to data reports as well as enable staff to be trained to enter/update their performance information directly. This would also enable us to provide Members and other users with bespoke access to performance information that is of particular interest to them. The 2010/11 cost for system support based on 10 system users is **£5,625**. Expanding to 25 users in the current year would cost an additional **£3,000**. Annual ongoing funding from 2011/12 based on 25 system users would be **£6,375**.
- 13.3 The most significant 2010/11 cost to consider is the fee to the Audit Commission for their advice and assistance project. This would be a one-off cost of **£32,000**. Given the current level of uncertainty regarding the ongoing role of the Audit Commission, Cabinet is asked to give delegated authority to the Chief Executive in liaison

with the Leader of the Council to release this funding should it be considered beneficial to continue with this element of the improvement project.

- 13.4 All 2010/11 costs highlighted above have already been earmarked from within the Strategic Change Fund at the time of setting the annual budget. However, ongoing system support, licence and subscription costs would need to be seen as growth items with the future Strategy and Democracy budget.

14.0 Other Implications

- 14.1 The poor CAA rating in 2009 was damaging to the reputation of the Council and to the morale of staff particularly as, in many areas, actual service delivery is adjudged to be good and the 2009 Place Survey indicates that many members of our community rate Council services positively. Therefore, it is frustrating that the abolition of CAA at this time has removed the opportunity for us to demonstrate that our efforts to improve our management of resources would have resulted in an improved assessment score. Nevertheless, through the completion of a robust self-assessment using the CAA Key Lines of Enquiry [KLOE's] we intend to show that we are now in a much stronger position to demonstrate significant improvement in any alternative inspection and improvement in how we prioritise our resources and actions for the benefit of the local community.

15.0 Summary

- 15.1 In summary, the headline actions that have taken place since October 2009 to the present has been as follows:
- Establishment of new corporate priority themes
 - Council-wide performance data audit covering all services
 - Partnership with IESE with resulting funding contributions
 - Acquisition of Local Futures place evidence database
 - Production of new style 2010/11 corporate plan
 - Acquisition of Covalent performance management system
 - Developed advice and assistance scope with Audit Commission
 - Initial implementation of revised service and financial planning process including prioritisation assessment
- 15.2 2010/11 will be fundamentally about building on the work already done, in particular improving and expanding our use of Local Futures and Covalent, completing a priority based service and financial planning process, undertaking effective community engagement alongside the service and financial planning process, improving our ability to harness feedback to demonstrate the impact of our action, and further refining the content of the Corporate Plan in 2011/12.

Julian Osgathorpe
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Peter Finnis
Head of Strategy and Democracy

Background Papers:

1. Audit Commission 2008/09 Managing Performance Organisational Assessment
2. Place Survey 2009
3. Cabinet Reports – Corporate Plan – 21 October 2009, 16 December 2009 and 31 March 2010
4. Scrutiny Committee Report – Managing Performance – 8 February 2010
5. Corporate Plans 2009/10 and 2010/11

(scr/10.07.05/managing performance)