GOVERNMENT OFFICE
FOR THE SOUTH EAST

Eastbourne Borough Council's Improvement Journey
An Informal Case Study - For Internal Use Only

September 2010

Preface

GOSE produced this report at the request of the Borough Council, to assist with their 'improvement journey'.

1. Summary

1.1 Significant changes have taken place at Eastbourne Borough Council (EBC) in the last 18 months, increasing the Council's capacity to manage services in the local area. These include:

- A new management team, committed to a culture of corporate action, with Members and Officers working together
- Management systems that provide for co-ordinated effort in reporting performance, assessing progress, and deciding actions against agreed standards and priorities
- Continuous improvement processes allowing for revision of plans and responsiveness to changing circumstances
- Employees at all levels expected to be part of the campaign, with personal objectives built into the overall strategy
- Improvements in individual service areas, some previously identified as weak, including housing, waste management, and financial management.
- An 'Agile' work programme aiming at greater efficiency and savings by more flexible employee work patterns and improved office environment.
- Partnership working within an enlarged network, achieving qualitative improvements, through peer group working with other local authorities, shared services, and the use of support mechanisms available from the Audit Commission, IESE, LGID (formerly IDeA) and others.

1.2 From the evidence we have seen, the Borough Council's DRIVE change programme has led to a real expansion in their corporate management capability, which is leading to improvements in performance across several departments. We have not attempted a performance assessment: that is for the Borough Council to do, and is increasingly an aspect of normal work, in regular reporting cycles. We report here on signs of change and current issues. Continuous performance management is the key cultural change now being seen. There are indications of the Council having a greater awareness of public opinion via organised consultation and feedback, and more knowledge of the operational environment for services and outcomes. Use of Local Knowledge data combined with public consultation is giving the Council a basis to develop comprehensive, reciprocal public engagement strategies. There is more strategic priority and target setting for both the long and short term, providing a basis for further advances in effectiveness and efficiency.

1.3 These internal changes are positively impacting on the Council's service outcomes. The Council's delivery of housing, finance, recycling and other initiatives is showing improvement, and these advances reflect the way in which the Council is developing the links between policy, performance management and service provision, to the benefit of residents and visitors.

2. Introduction

2.1   In July 2010 the Leader and Cabinet of Eastbourne Borough Council asked Government Office for the South East (GOSE) to peer review their recent management changes and service delivery. This report summarises the review we made with the helpful co-operation of the Council, based on information available in the period July – September 2010.

An Improvement Journey

2.2   The Council wanted to reassure itself that significant improvements had taken place since the Audit Commission's 2009 Organisational Assessment, and that improvements were continuing. GOSE agreed to assist by undertaking a peer review. In doing so, we acted as critical friend by concentrating on a few key issues, looking for evidence of change, checking for any obvious signs of difficulty across a wide range of service delivery, and identifying pointers to further improvement in services that should accrue over time. Undoubtedly in some respects the impact of recent changes will only be seen fully after a few years.

2.3   This is a commentary for the Council to use in its internal deliberations, and is not intended for publication: we hope it will assist the Council with assessing and directing its own progress in coming months.

GOSE Review

2.4   The approach taken by GOSE to reviewing the Borough Council's progress had four elements:
   (i)   we took the Borough Council's own information from a variety of sources, most importantly the Corporate Plan 2010-2015 and Cabinet papers for a meeting on 14th July, which included a range of progress reports, but also from accessing the new COVALENT system, which now increasingly holds data and reports in depth on key topics
   (ii)   we scanned a broad range of data from other sources including place-based comparative data in the Data Interchange Hub run by Government and the Places Analysis Tool.
   (iii)   we took soundings from IESE, LGID (IDeA) and the Audit Commission, to obtain their views about what might be critical trends and issues for the Borough in the next few years
   (iv)   we applied a simple process of analysis to the available information, identifying trends leading towards excellence, and any barriers or actions required to continue progress in that direction.

The starting point was the Audit Commission's 2009 Organisational Assessment which said, essentially, that the Council should:

- improve its knowledge of what people want and what is happening;
- create more capacity within the Council to manage performance and to do this corporately across all departments in an integrated way;
- follow through these changes with real outcomes in the delivery of better services.
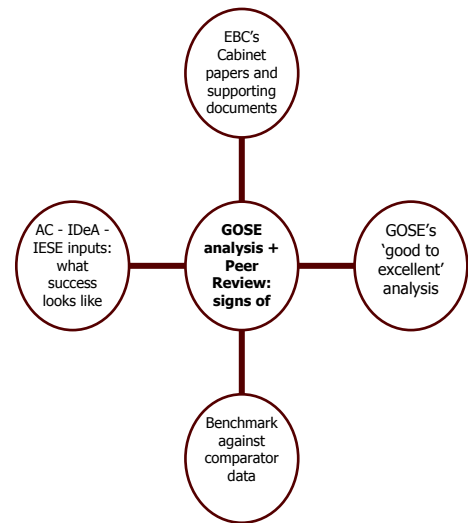
2.5 We see here three dimensions of corporate performance: awareness, capacity and delivery. This report provides a short commentary on the Council's improvement journey with these three dimensions in mind, however the structure reflects the Council's own programme as embodied in its Corporate Plan, under headings listed as in the report 'Managing Performance – Corporate Improvement Progress' presented to Cabinet on 14 July: -

- Building Knowledge and Evidence
- Improving Priority Setting
- Better Community Engagement
- Strategic Corporate Planning
- Service and Financial Planning
- Robust Performance Management
- Obtaining Feedback on Outcomes

Table: Key Steps

Each of the following actions we recognise as making a difference and leading to further improvements.

The 'DRIVE' programme
Restructuring of Council workforce and new recruitment
New management team
Assigning ownership of priorities, responsibilities and actions to Member portfolios
Clearer arrangements for Scrutiny, applied to the Corporate Plan priority actions
Development of 2010-15 Corporate Plan following clear Priority Themes
Combination of short and long term priorities and targets for actions
Public consultations for Corporate Plan, Council Budget and other planning
Integration of financial reporting and planning with performance management
Delivery of fully audited, unqualified set of accounts
Adoption of CIPFA Code of Practice
Acquisition and growing use of COVALENT
Acquisition of 'Local Knowledge' data
Use of CIPFA Nearest Neighbour data and national outturns
Embedding ownership and SMART targets into staff appraisals
'Agile' working
Asset management programme
Sustainable Service Delivery Strategy
Individual service improvements:
Measurement of energy consumption and actions to address EBC carbon footprint
Increased number of affordable homes built
Improvements in housing stock (to Decent Homes standard)
Reduction in the number of people living in temporary homes
Improved housing benefits processing
Improved speed of processing planning applications
Introduction of cardboard recycling collection and rates achieved
Improved handling of customer feedback

3. Building Knowledge and Evidence

3.1   The Borough Council has put in place an improved knowledge base for their performance management, to assess both the local situation and how Eastbourne compares with other local authorities. Supported by IESE, the Council's acquisition of Local Knowledge data has enabled these two kinds of analysis and consolidated the growing performance management culture. In order to gauge the Borough's performance relative to other local authorities, the Council is also making use of CIPFA Nearest Neighbour statistical data and national outturns. All this information is being used to drive forward performance and highlight areas that need improvement.

3.2   The Borough Council has shown how it will gather data to develop the knowledge base in subjects of its own choice, for example investigating whether local data could be used to continue the NI 176 measure (working age people with access to employment by public transport and other specified modes). The Place Survey has been abolished, so the Council is deciding what to do instead that will provide them with awareness of public perceptions.

3.3   Local networks are in place that will allow evidence to be gathered from a range of partners, thematically and geographically, for continuous monitoring. The Community Environment Partnership for Eastbourne is one thematic partnership; it links to the Eastbourne Strategic Partnership; the ESP, in turn, connects to the East Sussex Strategic Partnership. Together these reinforce inter-authority connections across the County. The networking includes meetings where the Council's Leader and Chief Executive attend, and information is shared at the most senior level.

3.4   The Borough Council is improving its awareness of the effects of its own actions, for example its own environmental impact. The procurement of smart meters highlighting energy consumption data is co-ordinated with actions to reduce EBC's carbon footprint – this will include, amongst other things, the planned refurbishment of the Grove Road building.

3.5   *Summary - recommendations for consolidating improvement:*
- *Use of latest evidence from identified data owners as an integral part of action planning and management decision-making*
- *Snapshots of easy- to-read performance information against Corporate Plan priorities and Member portfolios*

4. Improved Priority Setting

4.1   The Borough Council has demonstrated an increased commitment to priority setting in the adoption of the Corporate Plan 2010 – 2015. This set new benchmarks. More recently its content has been consolidated, for example in the merger of Transport and Quality Environment themes, to reflect more accurately the Council's own responsibilities. In effect, a continuous process of revision is emerging, which offers more responsive outcomes, although this will always need to be balanced against any loss of transparency and accountability gained via public and partner consultation. In support of the Corporate Plan, the COVALENT management information system has been installed to allow reporting of progress in all key areas.

4.2   The COVALENT system is a recent introduction, and has some way to go before it is fully embedded. Whilst progress is considerable, it is uneven at present, and there is recognition of some gaps to be filled in order to achieve all the priorities clearly defined and supported by SMART, sufficiently justified targets.
- For example we see a relative lack of targets and action planning for getting people into employment, particularly from the poorest areas, although partners are directing more local activity via the Improving Neighbourhoods delivery strand.
- Although the Borough Council has set targets for tourism, and some are stretching, there is a gap on how many people are visiting the town, which reflects a major strategic ambition (although allowance must be made for issues of practicality, e.g. LI 16, a visitor bed nights measure, was deleted from the Performance Monitoring Report because of concern over reliability of data.)

4.3   With growing amounts of management information, it is essential for the Council to gather information intelligently - not accumulating data that adds no value, but applying knowledge to defined priority actions. A good start has been made, with many objectives of the Corporate Plan now supported by relevant targets, including areas that have previously been identified as weak, such as processing planning applications and environmental management. There are provisions to monitor and track progress, with regular reporting to CMT and Cabinet, and the Council are working on systems that will be used to alert Members and senior officials when agreed actions become overdue. Scrutiny arrangements have been constructed to ensure that targets remain relevant.

4.4   Significantly, the target-setting process takes account of Eastbourne's position relative to similar local authorities. CIPFA Nearest Neighbour data can be used as a basis for challenges by Members, CMT and the Scrutiny Committee where performance is not matching expectations. Some of the current targets do not seem to be ambitious, and could be refined. For example, some of the tourism PI targets for 2010/11 are lower than outturns for last year, despite the increase in the number of

staycations taken on a national basis. NI 175 (access to facilities by public transport, walking or cycling) has a modest level of aspiration. However, in some cases targets have been revised after the adoption of the Corporate Plan, to reflect changing circumstances. To drive further progress, we imagine that Cabinet and CMT are likely to want to challenge portfolio holders and Heads of Service to make sure that targets are both SMART and stretching. The Council has a process for liaison with front-line managers, improving the relevance of targets in an evolving framework.

4.5   Costs of service delivery are a theme that the Council needs to consider regularly, and we suggest there is value in analyses comparing current costs with potential savings from increased ambition. For example, savings from increased recycling should reinforce the waste management agenda, by showing a powerful business case. In such areas the Borough Council's sharper focus on activity and performance management is visible, yet may benefit from more analytical input to arrive at optimal decisions.

4.6   Public understanding of priorities and targets is essential for real engagement with communities: we suggest that the Council might consider how some of the core actions and priorities are presented, for example indicators, baseline information and targets for crime measures, or the under-18 conception rate; targets for NI 23 (perceptions that people in the area treat one another with respect and consideration) and for NI 175 appear to be anomalous.

4.7   To bring additional credibility to the targeting process, there could be value in differentiating between PIs that are directly affected by the Borough Council's activities and others where the Council's influence is more limited. Some outcomes are more attributable to actions of partners, or national circumstances. Recognising these differences adds clarity to the Service Priority Framework and Place Based Budgeting.

4.8   Effective priority setting needs a clear set of actions supporting each headline target. The Council has headline priorities and action plans in place, with targets logged as sub-actions/milestones within the COVALENT system. However some of the sub-actions listed currently do not appear to be fully reflected in the Corporate Plan. Increasing the consistency of this relationship will give the performance management process greater impact.

          o   We see management of the sub-actions as particularly important in achieving pace and keeping longer term performance on track. A positive example is the Eastbourne Environmental Strategy and Action Plan 2010-13, showing the Council setting challenging long term aims, including a national target of a 50% recycling rate by 2020, and also training up a network of Community Champions on all environmental issues.

The two aims are supported by a clear set of sub-actions. Such measurable subsidiary targets encourage progress.

4.9　*Summary - recommendations for consolidating improvement:-*
- *Targets SMART, wide-ranging and stretching*
- *Differentiation between partners in degree of influence to achieve target*
- *Clear presentation of priority aims/targets for public, with linkages on actions, sub-actions, milestones, and subsidiary targets back to the Corporate Plan, maximising overall sense of purpose*

5. Better Community Engagement

5.1   Eastbourne scores strongly on civic participation, compared to statistical neighbours, and there is evidence that the Council is communicating more with local people. Examples are the Eastbourne Sustainable Neighbourhood Assessment, the community-led Eastbourne Environmental Strategy, and the public consultation on the Council Budget for 2010-11: they all display purposeful engagement methods. Consultations were held on the Corporate Plan, although appeared to be focused mainly on checking for plain English. It is not known what impact these initiatives have had on the numbers of people who feel they can influence decisions made by the Council.

5.2   The Borough Council networks with partners, such as the Community Environment Project for Eastbourne, and the Eastbourne Strategic Partnership, and are responding to consultation feedback with actions, such as increasing investment in facilities for children and teenagers. This commitment could be made more explicit in the Corporate Plan – there is value in priority themes having a narrative showing how community engagement is central to Council strategy, and connects resident concerns with management of local services.

5.4   The Council are aiming to do more: better community engagement has been highlighted as a key aim, and is reflected in some actions of the Corporate Plan, related to Governance. However, the commitment does not yet follow through explicitly into projects or measures. EBC might consider the 'live' information on their website in terms of how accurately it represents both stronger and weaker aspects of performance, and what is intended in response.

5.6   *Summary recommendations for consolidating improvement*
- *Narrative which connects priority themes to resident concerns*
- *Embedding a comprehensive approach to community engagement across all areas of the Council's business*
- *Accurate performance and management information readily available to residents, as a matter of transparency in the Council's leadership of local communities.*

6. Strategic Corporate Planning

6.1 The Borough Council's Corporate Plan 2010-2015 shows a comprehensive approach to establishing key priorities. It is based upon a broad evidence base, and there is a clear process for managing performance against the Plan's objectives, monitored on a day-to-day basis by the COVALENT system and regularly reported to Cabinet, Scrutiny Committee and CMT. The Plan itself is not a static document, being adapted as necessary to changes in the external climate. All these are the building blocks of an effective management culture.

6.2 For further improvement, our observations are that the connections between responsibilities and tasks are not always entirely clear: a greater focus on the 'golden thread' running through planning and implementation processes could make the document more accessible, and possibly more concise. Additional impact might be achieved if the Council committed to more given timescales, and supported these with reporting at milestones, with widely accessible reports.

6.3 Not surprisingly, given the recent date of some changes at EBC, there is still scope to embed the Corporate Plan more deeply in a 'rounded' planning and performance management process. At the moment it is not always clear how the Plan relates to other service and financial plans. The Council is addressing this as part of their Sustainable Performance workstrand. Over time, it should become clearer how the Corporate Plan's priorities set the framework for individual service plans and so feed the key short term actions.

Example - carbon footprint
- The Council are undertaking a number of activities to reduce their carbon footprint. These actions are not readily traced from within the Corporate Plan, e.g. in a commitment to reducing the Council's own environmental impact as part of the Quality Environment strand. Whilst a target has been set for NI 185 (CO2 reduction from local authority operations), it is not apparent how stretching this target is to deliver.

6.5 Summary - recommendations for consolidating improvement:
- *Clarification of responsibilities/processes leading to key actions and measures, from Corporate Plan via service plans to action plans*
- *Setting more timescales for targets to give greater pace in achieving corporate priorities*
- *Refining what is included in the Corporate Plan to reflect the full extent of the Council's priority activities*

7. Service and Financial Planning

7.1   Eastbourne Borough Council acknowledged that they wanted to move from being primarily a transactional hub towards more effective community leadership. The next stage is to develop operational Service and Financial Plans in each service area which consider the contribution that can be made by partners from all sectors. As this is a work in progress, GOSE have considered aspects of current service/financial delivery that form key aspects of these Plans. We have found evidence of substantial progress.

Housing

7.2   Eastbourne's performance in housing has improved, in raising standards of repair in the stock of social housing, reducing the number of people living in temporary homes, and increasing (modestly) the number of affordable homes available in the Borough. Delivery of the Council's decent homes programme is outperforming target, as is the number of households in temporary accommodation - improved move-on procedures and activities to increase awareness of housing options have reduced the latter in 2009-10 over the previous year's outturn. Some progress has been achieved in the provision of affordable homes, with 2009/10 outturn marginally exceeding target, and comprising nearly half of the net additional homes delivered that year.

Recycling and Landfill

Figure: Eastbourne's recycling performance compared to statistical neighbours

Proportion of Waste sent for Recycling
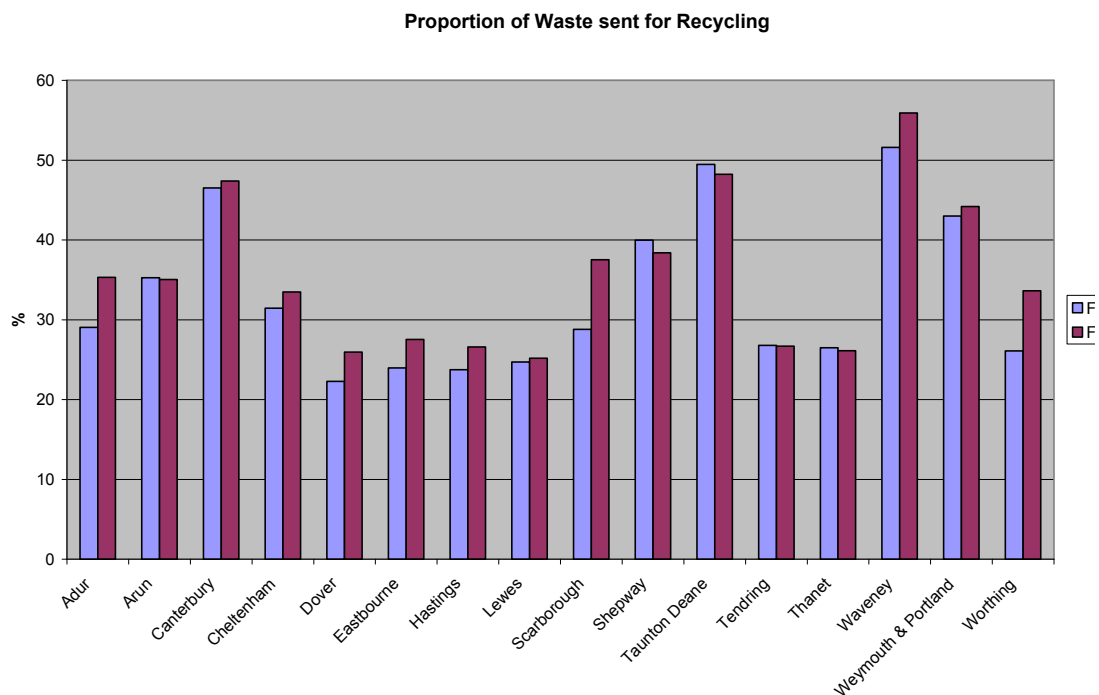
7.3   Eastbourne introduced recycling services later than other authorities, but the Council are placing increasing emphasis on both recycling and

environmental issues and setting targets for improvement. The introduction of a cardboard collection from May 2009 means that the majority of residents have household collection of big recycling materials; a 30% target for NI 192 (percentage of household waste sent for reuse, recycling and composting) has been set and exceeded. The Council are now considering long and short term aspirations for reducing waste and increasing recycling. A series of time limited actions form part of the draft Eastbourne Environmental Strategy and Action Plan 2010-13.

Financial Management

7.4   The Council's financial management shows an improving trajectory. The adoption of the CIPFA Code of Practice in March 2010 marked a commitment to accepted standards, underscored by the production of a fully audited set of accounts in the same month. Scrutiny arrangements are in place to make Member engagement on finance and delivery a routine aspect of the Council's business management. Cabinet are kept informed of revenue and capital considerations via quarterly performance reports. EBC are adding financial information to COVALENT so that the Council will be in a better position to assess the costs and value of new projects against demand. This greater integration between performance monitoring and budgeting should provide a better basis for delivery on priorities and longer term financial planning.

7.5   A milestone was reached in September 2010 when the external auditors PKF told the Borough Council that for the annual governance statement this year they were in a position to give an unqualified report, for the first time in 6 years. The Borough Council had achieved a satisfactory rating in all eleven of the measured KLOEs (Key Lines of Enquiry).

7.6   The Council is benefiting from adopting a prudent approach towards financial matters – adopting 'zero-based' budgeting on expenditure has cushioned the impact of changes, for example recent cutbacks in Performance Reward Grant. EBC are now planning for substantial reductions in income from 2010. Linking the Medium Term Financial Strategy with a new Sustainable Service Delivery Strategy will help the Council achieve a more responsive approach towards budgeting. Along with EBC's buildings strategy the Council are planning ahead to the medium and long term in service delivery. The Council have already outsourced some services and are considering further scope for sharing services and posts with other councils, following the successful sharing of a housing manager with Tunbridge Wells Borough Council.

ii) Housing Benefit

7.7   The Borough Council's housing benefits management has improved since it was judged to be poor in 2008. The Council has implemented a benefits service action plan, and targets have been substantially

outperformed (e.g. time to process new claims / change events). In fact, performance in average time taken to clear housing benefit claims is in the upper half of statistical neighbour districts for which data was available in 2009/10. Eastbourne now no longer ranks in the bottom quartile for housing and council tax benefits claim processing on a national basis. The Department for Work and Pensions, as funding source for the benefits, has confirmed that Eastbourne's performance is no longer a matter of concern.

Figure: Time EBC takes to clear housing benefit (cf. statistical neighbours)

Average Time taken to Clear Housing Benefit Cases
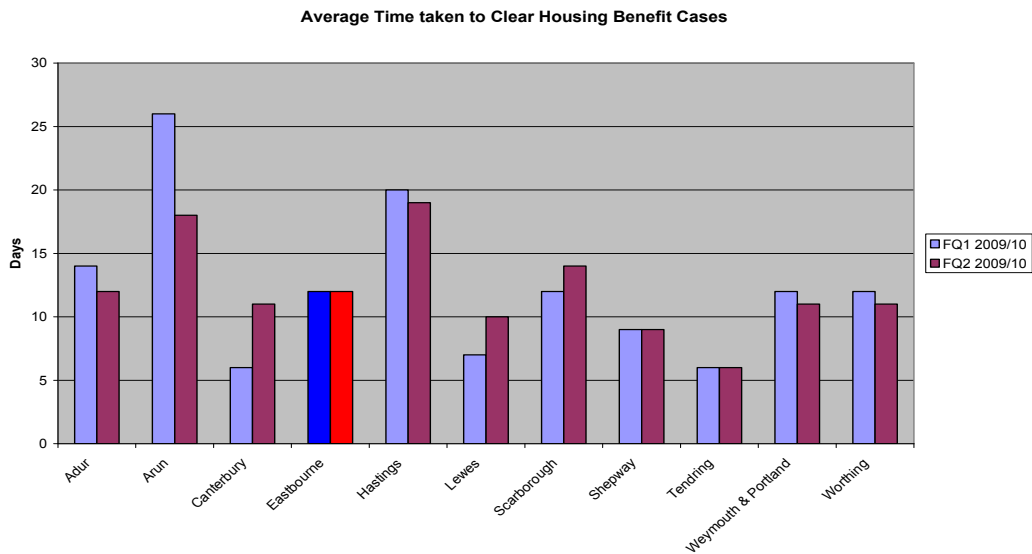
7.8   Going forward, the challenge is to maintain and extend this improvement. We noted certain aspects of the benefit service improvement plan were recently overdue, and a target for processing claims was set to be nearly 1 day slower than last year. In maintaining focus the Council will wish to adjust targets to the most realistic yet challenging levels, to motivate staff and drive improvement; they may also cover new items (e.g. whilst the headline rates of handling housing benefits improved, the Corporate Plan does not set targets for subsidiary actions such as improving accuracy rates, answering telephone calls or increasing take-up).

7.9   *Summary – recommendation for consolidating improvement*
   - *Setting targets for subsidiary actions on key priorities.*

8. Robust Performance Management

8.1   Following the acquisition of COVALENT, knowledge amongst staff about the new management information system is expanding within the Council, and bringing with it a reformed management culture. The Strategic Performance team are working to increase awareness of the system at all levels, including training for managers and publicising advantages of the system on the intranet. The number of user licences has already been extended. Members will access information in a way that is customised for their needs.

8.2   A new management information system is only part of a wider process of reform, yet it offers a visible platform on which to make other changes. By adopting Sustainable Performance as a priority theme in the Corporate Plan, the Council indicated a commitment to drive forward improvement processes through 2010-2011. The Council is also working to embed a performance management culture at all levels within the organisation by adopting SMART targets in staff appraisal schemes which align with the priorities. Similarly, there are training activities to develop staff behaviours and competencies.

8.3   The key changes all have aspects of implementation that are still in progress. Our examination of the COVALENT system suggested that at present there might be a hiatus in implementation of the Sustainable Performance work strand: out of the 76 Corporate Plan actions for 2010/11 detailed on the system, 23 had a 'check progress' status and a further 44 were unassigned. This would be a concern if the situation remained unchanged, as many of these are key activities for achieving Council priorities. However the 'roll-out' of the system needs time and will go through stages. Impetus should not be lost if the introduction of the system is followed through quickly to regular use. It might help to report roll-out stages at regular intervals, to encourage cultural change.

8.4   Early in 2009 the Borough Council worked closely with the Audit Commission's Advice and Assistance Unit to scope a project for promoting performance management as a way of life within the Council. Amongst other things this would examine and challenge the behaviours of Council officers and Members in their routines for evaluating progress against priorities. The project has been deferred while other reviews are taking place, and may not go forward exactly as planned. However we see value in resuming this or a similar project later, as a means of confirming and consolidating progress as it continues.

Summary – recommendations for consolidating improvement:
- *Continue developments in management information, especially for key service outcomes, to maintain expectations of steadily rising performance .*

9. Feedback on Outcomes

9.1   The purchase of COVALENT has given the Borough Council a means of bringing together performance indicator (PI) reporting, front-line narrative on actions towards targets, and public responses. This is a path to better integration for Borough Council business. Reports are already informing departmental teams and giving regular updates to Cabinet, Scrutiny Committee and CMT but further development is planned to include risk management, financial information and community feedback on services.

9.2   A fundamental part of the 'Big Society' is engagement with local, community level interests: the Borough Council will need feedback from various communities on the impact of local initiatives. As the scope of management information expands to accommodate these sources, the system needs to remain adequate and resilient. Scrutiny arrangements are already in place to ensure data is accurate and timely; use of the system will need to adapt responsively to feedback.

9.3   The use of a comprehensive management information system represents a significant advance for the Borough Council's self-knowledge, compared to the position in December 2009. There is a risk, as with any such system, that maintaining it absorbs effort rather than energising the corporate performance management process. But we see real potential for improving communications and transparency. The Council will need to ensure that the system remains fully embedded and joined up with line management. To this end, the Council could arrange open reporting of 'common ground', so that Members, staff and the public have a shared, clear picture of progress.

9.5   Summary – recommendations for consolidating improvement:
- *Continue/ increase use of feedback and community intelligence as basis of checking outcomes*
- *Create 'common ground' reports for shared knowledge of progress against action plans.*

10. Conclusion

10.1   Significant changes have taken place at Eastbourne Borough Council in the last 18 months. The management culture of the Council, including the ambition of Members and Officers for the Borough as a whole, is developing into a visible feature of the organisation. There are demonstrable improvements in awareness, capacity and service outcomes since the period reviewed in the Organisational Assessment published in 2009. We see a commitment to continued improvement, and all the key elements in place to go forward. There are no exceptionally weak areas of performance showing on the dashboard. The Council is achieving improvements that we expect to be fully sustainable.