

BODIES: SCRUTINY COMMITTEE

DATE: 7 February 2011

SUBJECT: Managing Performance - Corporate Improvement Progress

REPORT OF: Deputy Chief Executive and Head of Strategy and Democracy on behalf of the Scrutiny Review Team

Ward(s): All

Purpose: To update Scrutiny Committee on the continuing progress of the Council's improvement journey, seek endorsement for the actions and activities taken so far, and recommend future activity.

Decision type: Non-Key Decision

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Recommendations:

1. To note and endorse the outcomes of the GOSE peer review, the PKF audit, the activity progress, and the work of the Scrutiny Review Team so far.
2. To endorse the next steps of the improvement journey as set out in **paragraph 4** below, and the Scrutiny Review Team in line with the modified scope as set out in **appendix 4**,
3. To confirm the membership of the Review Team for the next 12 months at the Annual Council meeting on 25 May 2011.

1.0 Background

1.1 Following the overall rating of the Council as "poor" under Comprehensive Area Assessment (CAA), a report was submitted to Scrutiny Committee on 8 February 2010 assessing the authority's performance management approach and setting out the planned improvements which had been implemented or were proposed. The

committee endorsed the action plan and decided to appoint a Scrutiny Review Team to oversee the improvement journey process. The current scope of the review team work so far is set out in **appendix 1** for information.

- 1.2 Scrutiny Committee received a further report on 5 July 2010 setting out progress at that point, endorsed the action plan of ongoing activity and, with the demise of CAA, supported the proposal to engage the Government Office for the South East (GOSE) to undertake a 'critical friend' peer review of our managing performance improvement journey progress following CAA. Scrutiny Committee also supported the ongoing development of the Local Futures evidence database and the Covalent performance management system. These recommendations were subsequently approved by the Cabinet at their meeting on 14 July 2010.

2.0 Recent Progress

- 2.1 With funding assistance as part of our partnership working with Improvement and Efficiency South East (IESE) we have been able to use the Local Futures evidence database to more effectively underpin the corporate priority themes within the 2010/11 corporate plan. This work has continued to develop and will be enhanced further within the next edition of the Corporate Plan.
- 2.2 The 2010/11 corporate plan incorporates the prioritised projects that contribute towards the priority themes and visions, identifying objectives, activities, milestones, targets and performance indicators.
- 2.3 Again, having used IESE funding contributions towards the purchase of the Covalent Performance Management System, we have been building its usage and can now depict an over-arching strategy map that cascades down through the corporate priority themes and to progress on the key projects. We also completed the mapping of all services/functions in the Council – identifying all objectives, activities, priority theme focus, targets, resources, performance indicators for inclusion on the system. We are now able to report ongoing performance to both Cabinet and Scrutiny Committee using the live system on screen.
- 2.4 There has been much work undertaken by the Leadership Team on the future strategic direction of the Council, particularly having regard to anticipated financial challenges and the desire to move the Council from its current emphasis as a transactional hub towards more of a community leader role. All services have been subject to a prioritisation exercise and given varying financial target spreads depending on their community value. This has been assisted by a completely re-designed service planning process covering a 3-year plan to enable prudent budget setting in 2011/12 with future gaps to be owned by the Sustainable Service Delivery Strategy (SSDS).

- 2.5 Ahead of the production of the 2011/12 corporate plan edition, a comprehensive consultation exercise on the corporate priority actions was recently undertaken across all spectrums of the local community. The full results of the consultation were reported to Scrutiny Committee on 6 December 2010 and Cabinet on 15 December 2010.

3.0 Recent Inspection Results

- 3.1 CAA was originally undertaken in two parts – Use of Resources and Managing Performance. The first part was still undertaken (though no longer subject to a CAA score) earlier this year by PKF Auditors. The key headlines from that audit were:

- Unqualified Accounts (the first time this has been achieved by Eastbourne Borough Council since 2003/4)
- Unqualified Value for Money conclusion on all 8 key lines of enquiry

This represents a very significant improvement on past audits.

- 3.2 The GOSE peer review of managing performance focused on those areas identified as weak by the Audit Commission under CAA and assessed the improvements (if any) that had been made. GOSE found as follows:

- Commitment to a culture of corporate action, with Members and Officers working together
- Systems that enable co-ordinated performance reporting, assessing progress, deciding actions against agreed standards and priorities
- 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
- 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
- Greater awareness of public opinion via organised consultation and feedback, and more knowledge of the operational environment for services and outcomes.

In conclusion, GOSE stated:

"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."

- 3.3 The full GOSE and PKF reports were submitted to Cabinet at their meeting on 20 October 2010 but, for member's information, are attached here at **appendices 1 and 2.**

4.0 Next Steps

- 4.1 A key message of the GOSE peer review is the expectation of sustainability. Key Challenges for continued improvement are to:

- Build on the progress achieved
- Develop our evidence database
- Maintain community engagement in setting priorities
- Develop our performance management system
- Refine and improve our priority actions, objectives and targets
- Ensure sustainability

- 4.2 The 2011/12 edition of the Corporate Plan needs to reflect the improvements set out in 4.1 above. In particular, selected priority projects within theme chapters will include:

1. Project positional statement (if continuation from 2010/11)
2. Cross-reference relevant feedback from public consultation
3. Cross-reference relevant objectives in other key documents – LDF Core Strategy, Pride of Place, etc.
4. Reference to Local Futures relevant data
5. Relevant service and financial planning implications
6. Clear milestones, profiles, targets and outcomes

- 4.3 Priority theme lead members and officers will be formulating draft key projects for 2011/12 for the refreshed corporate plan theme chapters. These will be initially reported in brief at Cabinet on 9 February 2010 before subsequent full approval early in the 2011/12 municipal year.

5.0 Scrutiny Review Team

- 5.1 The Review Team (Councillors Howlett and Purchase) initially met on 23 March 2010 and endorsed the work being undertaken together with a project brief for our partnership working with IESE.
- 5.2 The Review Team were kept electronically updated with progress as it occurred and met again (with Councillor Hough substituting for Councillor Purchase) on 8 December 2010 to review the progress and planned next steps as outlined in this report.

5.3 The Review Team expressed satisfaction with progress made so far and indicated a wish to remain active to meet on an annual basis in the future. This would be useful to maintain Scrutiny Committee's involvement in the continuing improvement journey. The original Review Team scope is attached at **appendix 3**. A proposed revised scope for the future Review Team is proposed at **appendix 4**.

6.0 Summary

6.1 The progress made in the last 12 months has been a considerable achievement but it is now important to continue to develop and refine our performance management arrangements and strategic approach in the future to ensure that the Council's priority activities maintain focus on responding to the needs of the community in a sustainable and efficient manner.

Julian Osgathorpe
Deputy Chief Executive

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 – 21 October 2009, 16 December 2009 and 31 March 2010, 14 July 2010, 20 October 2010 and 15 December 2010
4. Scrutiny Committee Reports – 8 February 2010, 5 July 2010 and 6 December 2010
5. Corporate Plans 2009/10 and 2010/11
6. Public Consultations Report – December 2010

(scr/10.07.05/managing performance)