

Performance management and corporate planning

Specification for Advice & Assistance work
Eastbourne Borough Council

April 2010

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The Engagement Letter and attached documents relating to this report explain the respective responsibilities of the Audit Commission and the authority.

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The Audit Commission accepts no responsibility to:

- any director/member or officer in their individual capacity; or
 - any third party.
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Introduction

- 1 Councils face enormous challenges in ensuring that they deliver the government's modernisation plans while providing services in an increasingly complex environment that meet local and regional expectations and aspirations. Financial pressures add to the challenges.
- 2 The Audit Commission (AC) is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively to achieve high quality local and national services for the public. As a driving force for improvement in local government, we provide practical solutions and spread notable practice. As part of this we are able to deliver 'advice and assistance work' as an optional service that uses our skills and knowledge to assist our clients to deliver their strategic and operational agendas.
- 3 We provide specialised services which are tailored to the needs of our clients. We bring real commitment to supporting improvement that local residents and service users would notice. Our consultative approach to engendering change uses a variety of tools and techniques to best suit the needs of our client organisations. We work with our clients and stakeholders to support improvement and work within a culture of continuous improvement and challenge. We can draw on national data, research and studies to support this, as well as the wealth of knowledge and skills of our staff.
- 4 This proposal follows discussions with Eastbourne Borough Council ('the Council') about how we can support their own project to improve corporate planning, enhance value for money and refine performance management throughout the organisation. In other words, turning aspirations and plans into action that improves efficiency and makes a difference to the lives of local people.



Background

- 5 The Organisational Assessment of the Council, published in December 2009, described the Council as performing poorly overall. Within this, it noted that the Council does not have a clear picture of how well it is doing because it does not set clear targets against which it can measure success.
- 6 In carrying out our Managing Performance assessment in 2009, we noted that the corporate plan does not consistently provide the success criteria for the outcomes that it wants to achieve, and that clear targets and measurable outcomes are not yet consistently provided for all key priorities, action and activities. And although the council's approach to integrated financial and performance reporting is developing, there is scope to more closely align these processes.
- 7 The Council is engaged in a major change and improvement programme entitled DRIVE (Delivering Real Innovation and Value for Eastbourne). A new chief executive and deputy chief executive have been in post for only a few months and a new senior management structure is in place. The new corporate management team is working closely with Cabinet members to set a clear strategic direction, secure value for money and deliver improved outcomes.
- 8 In addition, the Council's financial outlook is very challenging and it has concluded that an ambitious, ongoing programme of efficiencies is necessary to protect frontline services. The strategy proposes cost efficiencies of eight per cent per annum over the next three years in order to achieve a sustainable future. This is around £1.5 million of new recurring savings each year. The Council sees real benefit in mainstreaming VFM consideration within the service planning framework so that decisions on savings have fully identified and considered external impacts.
- 9 The Council acknowledges that performance objectives are not always clear and can be ambiguous. The centre of the organisation has lacked the capacity to drive this forward, but is now working to develop a consistent and effective approach to performance management. All available performance indicators and targets have been collated, reviewed and, where appropriate, linked more effectively to council priorities. New priorities have been confirmed and incorporated into the Corporate Plan for 2010-15.
- 10 The Council wishes to develop the Corporate Plan further so that a stronger plan is in place from 2011/12. It is aiming to empower its managers and staff, so that an improved managerial culture of performance management and value for money will drive improvement. This should be supported by effective systems and processes without creating unnecessary bureaucracy. The Council is aiming for performance management that is not just about systems or processes but is an understood way of working that uses reliable data to drive efficiency and improvement in things that matter to local people. This involves changing the culture and ways of working across the organisation and strong leadership.
- 11 The Council has requested our support to take this forward.

Scope and objectives

12 The Council has its own programme of work to improve planning and performance management.

13 We will support this work by reviewing key elements of the corporate planning and performance management process. We will identify strengths and gaps, and share good practice and learning. And we will do this in a way which engages with the managers responsible for making it work. We will facilitate work to identify a way forward, with specific actions for implementation.

14 Our work will focus on the following themes:

Shared vision and performance culture

15 The Council's programme of work will only secure improvement if managers, supervisors and their teams understand and share the corporate vision and have the commitment, skills and competencies to deliver it. We will explore managers' understanding of corporate planning and performance management processes and the ways in which the Council can deliver value for money services.

Value for Money culture

16 We will review managers' understanding and application of VFM. And challenge managers as a group about how it forms part of their routine practice.

Corporate planning and prioritisation

17 We will review the corporate planning process and offer constructive challenge. We will consider how effectively the Council identifies the impact it will have and how it plans to measure it, and how those outcomes are effectively linked with those of its partners such as the East Sussex Strategic Partnership.

Measuring impact and monitoring performance

18 We will challenge the way in which the Council measures impact and monitors progress against its corporate priorities. This will focus on supporting and challenging the Council as it develops dashboards of monitoring data to measure performance routinely and effectively for different users in the Council.

Consultation, needs assessment and local intelligence

19 We will provide examples of effective consultation from other councils to support the Council's proposed methods of consulting on corporate plan priorities, priorities for investment and cost reduction.

20 The Council has invested in the Local Futures evidence base in order to improve its knowledge of local needs. We will consider what gaps remain in the Council's use of needs data and critically review the Council's combined intelligence base which informs planning.

Service and financial planning

- 21 The Council's service and financial planning process started early in 2010 with a view to making it part of the day job rather than a one-off event. Our review will challenge and engage service managers about the effectiveness of the corporate process and what actually helps them manage on a daily basis.

Management of corporate plan projects

- 22 The Council's corporate plan identifies a number of projects which will be delivered in the coming years. Strong and consistent programme and project management will be required to monitor project progress and to ensure delivery.
- 23 We will review the project management arrangements in place and draw on good practice inside the organisation (for instance in the management of capital projects) and elsewhere in order to highlight strengths and areas for improvement. Our emphasis will be on the skills and qualities which will be required of Eastbourne managers to deliver key corporate projects.

Roles and responsibilities of Cabinet and Scrutiny

- 24 We will discuss performance management with senior councillors to consider their roles and responsibilities in planning, prioritising and monitoring performance.

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Desired outcomes

- 25 Our work aims to support the Council in its work to improve and co-ordinate performance management, community engagement and priority setting and better aligning these activities with service and financial planning process.
- 26 At the conclusion of our work, the Council will have developed actions for improvement. These will drive progress in creating:
- effective corporate planning and performance management;
 - stronger use of local intelligence in planning;
 - consistent methods for measuring impact and monitoring progress;
 - a developing managerial culture of performance management and value for money; and
 - improved understanding of individual roles and responsibilities.

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Approach and timescales

- 27 We are aware of the importance to the Council of involving and empowering councillors and officers. It is crucial that they are fully involved in the work and that their views are sought out and understood. We will therefore use methods which are interactive and facilitative.
- 28 We will carry out our review work by:
- A survey of managers in the organisation. The survey will focus on the culture and understanding of performance management and value for money. We will agree the content of the survey and the target audience at the outset, and expect to undertake the survey during May 2010.
 - Review of documents, plans and processes.
 - Interviews with key officers.
 - Focus groups with middle managers on key issues to explore specific issues and understanding.
 - Discussions with key members of Cabinet and Scrutiny.
- 29 Feedback of key messages and outcomes will be in several phases:
- We expect to have ongoing contact with key officers to feed in messages as they develop, and to provide examples, good practice and challenge to developing work. This will particularly be the case for the work on consultation which is developing now.
 - We will feed back key messages from the survey and review work to the middle managers' group, MEG. We will use this session to facilitate action planning. We will agree the approach and scope of this session with our key contacts.
 - We will prepare a short written report, to include our headline feedback and the outcomes of the MEG session. This will be agreed with our key contacts before we report it to the Leadership Team (Cabinet and CMT).
- 30 The work commenced at our meetings with officers on 1st April 2010. We expect the detailed review work to take place during April to June. Our session with MEG will take place during July and will agree a final report date with the Council at that time.

Personnel and key contacts

31 The following Audit Commission staff will be involved with the work.

Name	Contact details
Shân Allan, Performance Manager	s-allan@audit-commission.gov.uk Tel: 07747 761040
Marius Kynaston, Regional Lead for Advice and Assistance, to quality assure the work	m-kynaston@audit-commission.gov.uk Tel: 07818 075502

32 The following staff will be our key contacts.

Name	Contact details
Julian Osgathorpe, Deputy Chief Executive	julian.osgathorpe@eastbourne.gov.uk Tel: 01323 415002
Peter Finnis, Head of Strategy & Democracy	peter.finnis@eastbourne.gov.uk Tel: 01323 415003

Project fee

- 33** Based on the scope and approach in this specification, the total fee for this work is £32,000, excluding VAT. This includes all travel and subsistence. We expect the Council to provide office space for our staff during any on-site work and meeting rooms for workshops.

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Other information

34 It should be noted by the client that the Project Specification is:

- for services provided under paragraph 9 of Schedule 2A of the Audit Commission Act 1998 to provide 'advice and assistance' (A&A) to another public authority;
- subject to our standard terms of engagement and the formal Letter of Engagement which sets out a clear set of terms and conditions applying to the work to formalise the contract; and
- subject to formal agreement and signing of the Letter of Engagement.

35 It should also be noted that:

- before work is commenced the Letter of Engagement must be signed by all parties;
- variations to alter the terms or specification of the contract must be agreed in writing and considering proposed variations both parties must consider the consequential effects on the project fee and timescale;
- if there are any changes mutually agreed to the work specification or the terms and conditions during the carrying out of the work these must be recorded in writing and placed by both parties with the signed Letter of Engagement; and
- under this agreement the public body has the rights of complaint under the Audit Commission complaints procedure which is available on our website.

36 The intellectual rights of the contents of the Project Specification are in the ownership of the Audit Commission. The client is provided with a copy for assessing the proposal and not for any other purpose.