

Internal performance management and performance management of partnerships

Essex County Council

Audit 2009/10

September 2010

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Summary report

Introduction

- 1 Effective performance management supports the Council both internally, and with partners, to deliver corporate aims and shared objectives. The effective performance management of partnerships is especially important as the reliance on partnership activity becomes increasingly crucial to the delivery of more effective and efficient models of working.
- 2 This report is a position statement on Essex County Council's progress in the implementation of effective performance management, as of July 2010.

Background

- 3 Previous Audit Commission performance and audit work has identified some weakness in the corporate approach to managing performance. The risk based audit plan identified this as an area for review in 2010/11.

Audit approach

- 4 The Audit Commission has carried out an assessment of the Council's progress in improving performance management arrangements. This consists of a review of existing evidence and a self assessment provided by Essex County Council.

Main conclusions

- 5 The Council has made significant progress in improving its approach to performance management. Arrangements for monitoring and managing performance internally are well known and used as a driver for performance improvement, such as in Children's Services. Performance management of partnership delivery has also improved, supporting challenging shared objectives. However, there is mixed confidence by some partners of the information they receive or how some partners use the information to challenge joint service delivery.
- 6 Performance management arrangements have been strengthened although a consistent approach across the County Council has yet to be put in place. Some parts of the organisation have a strong performance management culture and are aware of costs and performance linkages. Other areas are less advanced and the Council's performance team are working towards a consistent approach to performance management.

Detailed report

Internal developments in performance management.

- 7 The Council has revised its internal performance management structures. A model for centralised performance management has been designed and adopted. A new Head of Performance Planning and Improvement, appointed in June 2009, manages strategic performance functions. Performance staff from directorates and the corporate team were drawn together into a single consolidated Performance, Planning and Improvement (PPI) support service in September 2009. Service based teams operate within directorates under a business partner model, working to a service level agreement with the local service Director.
- 8 The benefits of this new structure have been that it:
 - supports a single Essex County Council performance framework and approach;
 - enables consistency of approach; role profiles; succession planning; training and development;
 - reduces duplication, overlap and bureaucracy;
 - supports a consistent focus on intelligence-led analysis to inform decision-making instead of retrospective reporting of data;
 - ensures objective challenge to performance issues and target setting; and
 - has generated efficiency savings of 10 per cent, with further savings to be realised.
- 9 There are performance management business partners for each of the Council's key customer-facing directorates in the PPI management team. They report directly to the Head of PPI. This has clarified and reinforced responsibilities for data quality. However the non-customer facing directorates such as HR and Finance are not included in this whole model of Performance Management and Improvement.
- 10 The 2010/11 Integrated Budget and Corporate Plan (IBC) will bring together Essex County Council's budget, priorities and performance reporting in a new way. This will help the Council integrate financial and performance reporting and greatly increase understanding of where value for money is being delivered. This integrated approach ensures that strategic leaders can exert greater top level control and make more informed decisions about resource allocation through greater insight into the relationship between resource allocation and resulting performance levels. This will help ensure resources are targeted on improvement priorities and improve efficiency. However, for 2009/10 the IBC did not exist.
- 11 Redesign of corporate reporting is helping to better ensure that it meets the needs of decision makers. Reports contain a strategic overview with analysis based on exceptions. Initial work with finance officers is helping to develop a better understanding of value for money.

Detailed report

- 12 The Council has made a positive start in the development of a wider management information (MI) approach to performance. Initial work has commenced with development of a strategic MI dashboard that is starting to draw together customer feedback, HR management information, finance information and performance operations and results. By measuring outcomes, including residents' perceptions, the Council is ensuring that its actions and outputs are meeting the needs of local people. This includes bringing together information such as not just monitoring road maintenance such as potholes filled but that residents feel that the condition of the county's roads is improving.
- 13 Monthly performance review sessions with Directorates and an improved approach to data quality assurance are helping improve awareness of current performance levels and ensure a timely flow of consistent and accurate information.
- 14 The Council has worked in partnership with IBM to develop models to further strengthen performance management systems. This has led to the Council completing self assessments to define strategic measure requirements; identifying corporate scorecard solutions; developing joint performance management with partners; and improving communications and engagement in performance. A vision for the development of MI within Essex County Council (and wider Essex) over the medium and long term has been developed. This is based on work developed from research in the public and private sector. Overall such activity is clarifying both current and future needs from performance management systems within the Council.
- 15 The business partners who report to the Head of Performance, Planning and Improvement are supporting service areas to embed effective performance management arrangements in a consistent way. Some specific services such as Schools, Children and Families have been subject to particular scrutiny over the last year because of the challenges they face. This has led to significant improvement. Performance monitoring and management is in place down to a team level and updated daily. This is widely attributed to have contributed to improvements seen in the way services are provided and managed.
- 16 The impact of improvements to performance management is seen in a number of service areas. Some of these areas are highlighted below.

Asset management

- 17 There is effective performance management reporting in place for asset management. Progress against performance indicators is monitored monthly as part of the performance scorecard process, and reported to both the Corporate Leadership Team and to Cabinet. Achievements so far include a reduction in office space as a result of mobile and flexible working at County Hall, some co-location and partnership sharing of office space.

Environment, sustainability and highways (ESH)

- 18 The ESH performance management system clearly assigns all targets and performance indicators to individual owners. All indicators and targets are updated monthly by target owners and reviewed by Heads of Service and in 1-2-1's with Deputy Director (Performance & Business Management) and Head of Finance. Finance and Risk are reported and reviewed monthly through RAG status exception reporting at ESH Directorate Leadership Team in advance of ECC Corporate Leadership Team.
- 19 A comprehensive monthly performance pack is produced for the ESH directorate's leadership team in advance of the ECC Corporate Leadership Team. Performance, finance and risk are reported on an exception basis. The performance pack is shared with councillors. Cabinet members, the executive director of ESH and relevant heads of service meet regularly to update performance and delivery of programmes. Bringing together the wider performance management information, together with human resources information is enabling senior managers and councillors to identify where corrective action is needed and the resources available to tackle any under-performance.

Adults, health and community wellbeing

- 20 The focus on engaging with operational teams to drive improvement has helped performance staff understand the context in which operational staff are working. In turn this has enabled development of management information tools to support staff in better organising and managing their work. Development of the relationships with operational staff is helping performance become embedded in operational culture rather than seen as something that is 'done to' people. For example an allocation tool has been developed that enables workers to plan reviews based on the services that people are receiving. Training is being provided to operational managers on the tools that are available to them to help plan and monitor the work of their team.
- 21 Effort is being made to ensure that performance management is seen in the wider context of management information and service improvement. Performance teams are looking beyond monitoring national indicators and those in the corporate plan and developing information that informs commissioning and service planning. This includes involvement in the development of the Joint Strategic Needs Analysis, mapping care pathways between health and social care to inform joint commissioning, and being fully integrated within the Directorates to support commissioning decisions, such as through the development of housing strategies and specific commissioning strategies for different client groups.
- 22 Engaging performance staff in commissioning and service planning activity helps ensure that performance monitoring is fully aligned with the strategies and commissioning intentions of the organisation.

Schools, children and families

- 23 There has been a considerable improvement in managing performance in the Schools, Children and Families (SCF) directorate. This includes daily reporting on unallocated cases, with details such as the age of child and the length of time that the case has been waiting for allocation. This has, in part, contributed to the significant reduction in the number of unallocated care cases for children and young people.
- 24 The Council is responding proactively to the Improvement Notice and developed a sophisticated performance monitoring and reporting system. An improvement notice scorecard has been set up and this is supported with detailed reporting systems down to a team level. It covers key performance areas such as initial and core assessments, caseloads and unallocated cases and flags assessments due to be completed within the next few days. Performance and management information to support service improvement is refreshed on a daily basis and accessible to all managers. This is enabling teams to monitor their performance and compare themselves against other teams.
- 25 Arrangements are in place (including input from councillors) to monitor the recovery plan put in place for SCF. There are weekly senior management meetings which discuss performance and the outturn position. These are attended by the executive director, head of finance and the portfolio holder. There is also a regular meeting between the portfolio holder and the Leader, and one-to-one meetings between the portfolio holder and the s151ⁱ officer.
- 26 An operational performance framework is helping ensure that staff are aware of their roles and responsibilities. It clearly articulates roles and responsibilities, key products, and the approaches to quality assurance and governance.
- 27 Robust controls have been introduced on the production of reports, accountability and sign-off to ensure accuracy of reporting. A programme of data quality spot-checks has been established and regular audits of data quality are conducted by internal audit
- 28 A new performance report has been developed for the Children's Trust, supported by a multi-agency performance meeting to improve data quality and data sharing.

Partnerships

- 29 LAA performance management improvements are being cemented in the culture of the local strategic partnership. Essex Management Board and Essex Partnership Forum meeting dates are now included in the forward plan of the performance management group to enable consideration of when it would be appropriate to formally update senior management and partners on progress and issues. A review of governance arrangements is currently underway that will consider how to reinforce and further strengthen accountability throughout the Partnership. However, there is mixed confidence by some partners of the information they receive or how some partners use the information to challenge joint service delivery.

ⁱ officer whose responsibilities include ensuring ethical governance

- 30 The Safer Essex Partnership has been leading on a project (ENIMS) which aims to secure a solution that will make the most effective use of existing and future data and information across Essex. Benefits include enabling effective sharing of consistent and secure information in order to inform analysis, action planning, strategic planning and the targeting of resources, ultimately delivering a data warehouse and web based Geographical Information System (GIS) across Essex. There are more than 25 partners involved across Essex including: Essex Police, Essex Fire and Rescue Service, Essex Probation Service, HMP Chelmsford, Primary Care Trusts, NHS Partnership Trusts, borough and district councils and the County Council.
- 31 District councils have supported the establishment of a benchmarking group by the County Council which enables them to benchmark their performance and learn from others. This is helping them in target setting and in challenging their own performance.

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