

		AGENDA ITEM 6
		ES/003/12
Committee:	Executive Scrutiny Committee	
Date:	31 January 2012	
<u>PERFORMANCE MANAGEMENT: OUTCOMES, IMPROVEMENT AND MONITORING FRAMEWORK 2012/13</u>		
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1. Purpose of the report

1.1 The purpose of this paper is two-fold.

The first is to update the Committee on national developments, particularly in relation to sector led improvement (and remaining inspection activity) as well as development of national outcomes frameworks and its relevance for Essex County Council. This update looks at both Council wide changes as well as developments in Adult Social Care and Children's Services.

The second is to update the Committee on Essex County Council's own outcomes and improvement framework and make specific proposals for monitoring arrangements in 2012/13. This considers the role of the Executive Scrutiny Committee to support this, as well as links to the work of each Policy and Scrutiny Committee. This is particularly important in the context of work being undertaken on the new Corporate Plan - *The EssexWorks Corporate Plan 2012-2017* as well as Management Information Scorecards (at both a Council wide and Directorate level) used to assess delivery of outcomes.

In light of this the Committee is asked to:

- a. Note the changes in national outcomes frameworks and the inspection landscape and implications for Essex County Council;*
- b. Note the development of our own ECC outcomes and improvement framework within Essex County Council;*
- c. Agree to recommendations for monitoring and reporting arrangements in 2012/13*

as outlined below;

2. Recommendations

2.1 We would like to make the following recommendations to the Committee:

- a. Use the measures of success articulated in the Corporate Plan to monitor delivery of outcomes, and where appropriate, to challenge the performance of the organisation throughout 2012/13;
- b. Recommend to Scrutiny Board that each Policy and Scrutiny Committee reviews Directorate MI Scorecards to support refresh of these in line with Business Plans;
- c. Recommend to Scrutiny Board that each Policy and Scrutiny Committee review progress against MI Scorecards through informal briefings with matters of concern being brought to the attention of the relevant Policy and Scrutiny Committee in a formal setting;
- d. Agree for a quarterly report which is presented to Cabinet to also be presented to Executive Scrutiny Committee by the Deputy Leader, detailing progress against outcomes as outlined in the Corporate Plan. This will include comparative information as available and be presented at the same time as the quarterly financial report. It is proposed that the first report will be presented to Cabinet and Executive Scrutiny Committee in July 2012 (Quarter 1 2012/13);
- e. Agree for an annual report which is presented to the Audit Committee (draft) and Cabinet to also be presented to Executive Scrutiny Committee by the Chief Executive/Deputy Chief Executive and Leader/Deputy Leader, detailing progress for the year against outcomes as outlined in the Corporate Plan. It is proposed that this be presented to Cabinet and Executive Scrutiny Committee in July 2012 (for 2011/12 period). It is intended to seek input from the Chairman of the Executive Scrutiny Committee in the development of the Annual Report in order that feedback from the Committee may be taken into consideration;
- f. Agree to receive a report outlining progress against the current Corporate Plan (based on evidence up to Period 10 2011/12). This would include a 'mock-up' of the 2012/13 quarterly report for comment. This will be presented to Cabinet on 27th March 2012 and proposed to be presented to Executive Scrutiny Committee on 3rd April 2012;

3. National Developments

3.1 In December 2011, the Audit Committee received an update on the current external audit and assessment landscape given the national changes that have, and are

currently taking place. The focus of the Audit Committee is on ensuring that recommendations from remaining external audits and inspections relating to Essex County Council are being taken forward in a timely manner. With the removal of Comprehensive Area Assessment, the abolition of the Annual Performance Assessment for Adult Social Care and proposed changes to the Children's Service inspection framework, the number of external audits taking place has now substantially reduced. The main changes which are taking place are outlined below:

a. Council Wide

What is happening?

3.2 With the removal of Comprehensive Area Assessment and abolishment of the Audit Commission the focus is shifting away from top down Central Government regulation and inspection to sector led improvement. Following these developments, Communities and Local Government (CLG) released consultation in Spring 2011 with a series of proposals relating to future audit functions whilst a House of Commons Select Committee has been considering the future shape post Audit Commission. Earlier this month, CLG published their response detailing the next phase of local public audit. This response sees:

- A Government decision to bring forward legislation to formally close the Audit Commission and introduce the new regulatory framework;
- The new framework will free local bodies to appoint their own independent auditors;
- Discussions will take place between Local Authorities and Audit firms to shape the practice details of the new audit system although it is envisaged it will remain broadly similar – focusing on account completion with a more risk based and proportionate assessment of value for money;

3.3 During the course of this national consultation, the Local Government Group (LGG) has been progressing with its sector led improvement offer. The emphasis of sector led improvement is that Councils are responsible for their own performance and that there is collective responsibility for performance of the sector. Made in February 2011 and entitled 'Taking the Lead', the LGG offer included seven points intended to support sector led regulation.

What is ECC doing?

3.4 In relation to sector led improvement, ECC is currently considering how to best utilise the peer review offer made by LGG and as a result has been in dialogue with them to ensure that the peer review framework meets our needs. This free peer review can be used any time before March 2014. We expect to be able to update the Committee with further details over the next few months.

3.5 Other offers made by LGG including LGGInform (to support benchmarking) and tools to support accountability (relevant for our annual report) are considered later in this

paper.

b. Children's Services

What is happening?

3.6 In July 2011 Ofsted published consultation on the proposed arrangements for Local Authority Children's Services inspections with new arrangements expected to come into effect from May 2012. Proposals, linked to the Munro Review of Child Protection include a universal programme of unannounced / short notice inspections with a focus on journey, experiences, quality of services and outcomes. It is proposed these are based around:

- Universal inspection of unannounced early intervention and child protection services and outcomes (timescales varying for authorities depending on previous results and other information);
- Proposed inspection of services for children in care through an annual sample (20-25) of Local Authorities);
- Arrangements for monitoring and re-inspection of inadequate Local Authorities within 18 months (for either child protection or children in care inspections) and programme of thematic or 'deep dive' inspections.

3.7 The Ofsted proposal was to replace current ranges of judgements by an assessment for the first two inspections (re-inspections are not intended to change overall judgements made at full inspections) against the following areas:

- Overall effectiveness;
- Capacity to improve;
- Effectiveness of the help provided to children, their families and carers (for child protection service inspection) or outcomes for children and young people in care (for children in care inspection);
- Quality of practice;
- Leadership and management;

3.8 Judgements made will continue to use the current four-point judgement: outstanding / good / satisfactory / inadequate.

3.9 The emphasis is also shifting towards sector led improvement with work being undertaken by the National Children's Improvement Board to define the future framework. Early adopter authorities are working with the Children's Improvement Board to test elements of the approach. The DfE has provided funding for development of the approach including five days of peer challenge support (no prescribed methodology and will generally rely on 'gifted' time from within a region), a safeguarding peer review (one over a 3 year period from April 2011 and funded by the Children's Improvement Board) as well as localised data profiles to support peer challenge.

3.10 In terms of outcomes frameworks, the Munro review suggested that Local Government and their partners use a combination of nationally collected and locally available information to help them facilitate improvement and accountability – both qualitative and quantitative. In light of this, Ofsted and the Association of Directors of Children’s Services have come together to develop and agree a set of key questions for authorities to consider when quality assessing how delivery is helping to improve outcomes with regards to safeguarding. These have been published alongside related draft national data items. A full public consultation on the draft national information set is imminent.

What is ECC doing?

3.11 The recent Ofsted announcement recognised that significant improvements had been made and as such the authority has moved to an overall effectiveness rating of adequate. The Government Direction has now been removed which recognises the achievements that have been made to date around safeguarding.

3.12 In response to the recent Ofsted inspections, the Schools, Children and Families Directorate have drafted a new Improvement Plan. This addresses all of the Ofsted recommendations and will be monitored by Children and Young People Scrutiny Committee and Essex Safeguarding Children’s Board. Whilst there are no longer any formal arrangements for reporting progress to the Minister for Children and Families, he has requested that the authority meet with his officers in July 2012 to report on progress against those areas identified as needing further improvement.

3.13 Having recently undergone a safeguarding inspection in July 2011 as part of the steps put in place to evidence improvement around safeguarding and remove Government Direction, the authority is unlikely to take up its free safeguarding peer review until 2012/13.

3.14 Alongside the Improvement Plan, the Schools, Children and Families Directorate are looking at how best to engage with the new sector led improvement approach being developed by the National Children’s Improvement Board (including the offer of 5 days peer challenge).

c. Adult Social Care

What is happening?

3.15 The Annual Performance Assessment for Adult Social Care and self-assessment process was abolished in 2010. Periodic inspections of Councils’ adult social care functions have also ceased.

3.16 Proposals for sector led improvement are being developed by the Local Government Group and Association of Directors of Adult Social Services (ADASS). This

will include peer review, national support and analysis to identify where performance may be deteriorating and the expectation that Councils will produce annual reports known as 'Local Accounts' on the quality of adult social care in their areas for local scrutiny. These are aimed at being an accountability tool to engage residents with service priorities and outcomes.

3.17 Where performance is particularly weak and a Council fails to improve with help from the sector, there will be scope for inspections to be carried out by the Care Quality Commission but a methodology has not yet been designed for triggering this. Any inspection is likely to be proportionate and risk based drawing on triggers which may include national datasets, local intelligence and customer feedback.

3.18 To support a focus on outcomes, the Department of Health (with input from LGG and ADDAS) have finalised an outcomes framework for adult social care (an NHS outcomes framework has also been finalised). Nationally, the intention is for this to give an indication of the strengths of social care and success in delivering better outcomes, whilst supporting local benchmarking with a view to share learning and best practice and support delivery of the 'Local Account' by providing high level information to underpin the narrative of these accounts. This framework is not a national performance management tool – no targets nationally are set against these measures. This outcomes framework sits alongside a zero based review of datasets for Adult Social Care which is currently underway (to inform collections from 2013/14). It is expected that Government will shortly also publish a Public Health Outcomes Framework.

What is ECC doing?

3.19 Essex has been finalising its 'Local Account' (part of the National Programme Boards initial focus) and was presented to the Community and Older People's Policy and Scrutiny Committee on 12 January 2012. Going forward, the intention is to bring publication of this into closer alignment with publication of the Councils' existing Annual Report.

3.20 Both the development of the Corporate Plan and Directorate Management Information Scorecards for Adults, Health and Community Wellbeing will, where appropriate, use measures from the Adult Social Care Outcomes Framework to provide an indication into delivery of outcomes and comparison against others.

Summary

3.21 Changes to the national regulatory and outcomes frameworks are taking place – both at a strategic level and relating to Adults and Children's Services. The future national framework is intended to be proportionate and risk based. Where external audits and inspections remain, progress against these will be reported to the Audit Committee on a six monthly basis. At a detailed level, the Audit Committee agreed that it is the responsibility of the relevant Policy and Scrutiny Committee to oversee deliver of specific actions where this is felt to be needed.

4. Local Developments

4.1 In light of national changes, work has been undertaken within Essex County Council to define our own outcomes, improvement and monitoring framework. This is based around four key questions:

a). What are the outcomes we are seeking to deliver and where will we communicate them?

4.2 The Corporate Plan will remain the key document which articulates the Council's priorities, the outcomes it aims to achieve and the measures it will use to track success. The outcomes defined within the Corporate Plan also represent the outcomes on which Essex County Council will focus its future commissioning activity. Work to finalise the *EssexWorks Corporate Plan 2012-2017* is currently underway and is due to be presented to Full Council in February 2012. This is also being presented to Executive Scrutiny Committee in January 2012.

4.3 More detailed outcomes frameworks may also be established for the specific commissioning of services such as the recent partnership that has been entered into with Ringway Jacobs as part of the Highways Strategic Transformation Programme.

b). How will we know if we are successful in delivering those outcomes?

4.4 We will use measures of success set out within our Corporate Plan to assess progress in delivering the outcomes we want to achieve for Essex residents, businesses and communities.

4.5 The measures set out in the Corporate Plan form the key success measures (some of which may be informed by national outcomes frameworks) but in order to assess our performance, we will analyse a range of relevant sources of evidence which will include customer feedback, research and public engagement, statistical analyses and information we collect as we commission and deliver services. These sources of information will allow us to form rounded judgements on our performance in delivering outcomes.

4.6 Where appropriate, we will set targets (against the measures in the Corporate Plan) to provide an indication of whether we have been successful in delivering outcomes. These targets will be based on comparative and trend information but also take into account the financial challenges we are working within. We intend to include the targets within Directorate Scorecards.

4.7 The operational measures which will be used to help with day to day operational delivery will form the basis of Directorate monitoring within MI Scorecards.

4.8 More detailed measurement frameworks may be established to support the

commissioning of services, such as has been established as part of the Highways Strategic Transformation Programme.

c). How will we quality assure this work to help us deliver those outcomes?

4.9 A range of stakeholders will continue to play a role in providing challenge and support to help us deliver the priorities and outcomes we have committed to. At a strategic level, this will include the Cabinet and Corporate Leadership Team alongside Executive Scrutiny Committee – whose role is to scrutinise delivery of the Council's Corporate Plan. Progress in delivering specific priorities may also be reviewed by other arrangements, such as the Local Government Group's peer review which we are considering in using for such purposes.

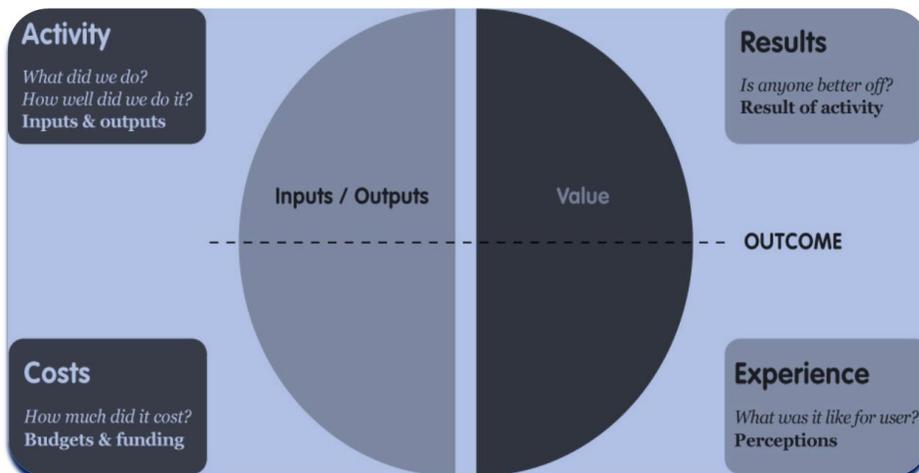
4.10 At a Directorate level, the Portfolio holder and Directorate Leadership Team will continue to play a key role alongside the relevant Policy and Scrutiny Committee – who should have a role in scrutinising delivery of the relevant Business Plan and Scorecards. These Committees may also have an input into specific commissioning frameworks (e.g. Highways Strategic Transformation).

d). How will we communicate progress in delivering those outcomes?

4.11 The Committee will be aware of the work that was done for 2011/12 to put in place MI Scorecards across ECC. These have been in place for every Directorate across Essex County Council since the April 2011 reporting period (first published in June 2011), published on our Intranet and made available to the Chairs of each of the Scrutiny Committee's. Discussions have taken place between Directorates and their respective Scrutiny Committees to agree requirements for supporting these new arrangements. A similar approach has been proposed by each of the Scrutiny Committees in the form of an informal briefing session between the appropriate Officer and Chairman of the Committee, with the purpose of providing the Chairman with further information and context as appropriate.

4.12 We have also been publishing the report which provides an organisational wide overview.

4.13 These Scorecards will continue to provide the basis for monitoring delivery of priorities and outcomes. The 'results' and 'customer' blocks of the Scorecards are closely aligned with our stated priorities and outcomes (demonstrating the added value of our work). The 'organisational capability' and 'people and culture' blocks are more focused on operational processes and day-to-day running of the organisation (the inputs and outputs). This can be presented more simply through the diagram below;



4.15 For 2012/13, we intend to build on the MI Scorecards by putting in place the following:

- Continued monthly operational reporting (based on refreshed balanced scorecards for 2012/13) at a Directorate and Corporate Leadership Team level which continue to be shared with the relevant Policy and Scrutiny Committee on an informal basis (with areas of concern being referred for formal discussion to the relevant Committee);
- Quarterly outcomes based monitoring to Cabinet and Executive Scrutiny Committee (presented by the Deputy Leader) in line with the programme for quarterly financial reporting. This will focus on delivery of the Corporate Plan priorities and outcomes, drawing on comparative information (from LGInform) and other relevant outcomes based information or remedial action as appropriate. As not all measures have data quarterly this will use latest available information to provide an overview of progress. This will be published externally on the ECC website. It is proposed that the first report will be presented to Cabinet and Executive Scrutiny Committee in July 2012 (for Quarter 1 2012/13).
- Annual report demonstrating progress made against the priorities outlined within the EssexWorks Corporate Plan (as well as financial summary) to Cabinet and Executive Scrutiny Committee (presented by the Chief Executive/Deputy Chief Executive and Leader/Deputy Leader). This will use some of the principles suggested by the Local Government Group as part of their self-assessment offer to the sector and will continue to be published annually on the ECC website. It is proposed that this be presented to Cabinet and Executive Scrutiny Committee in July 2012. It is also envisaged that this report will be presented to Audit Committee (as draft) alongside the draft Annual Accounts in June 2012;

5. Conclusion

5.1 Changes taking place nationally have presented Essex with an opportunity to move

away from national top down frameworks and measures to articulate a Corporate Plan based around ECC priorities and outcomes, supported by a range of locally adopted measures of success.

5.2 The MI Scorecards which were developed for 2011/12 will be refreshed in line with adoption of the Corporate Plan and Directorate Plans and used as a basis for reporting in 2012/13.

5.3 Essex County Council has shown good progress in transparent and effective performance monitoring and management. The proposals contained within this paper develop the arrangements even further and provide for broader engagement of members and officers.