

23RD SEPTEMBER 2009

REPORT OF THE DEPUTY CHIEF EXECUTIVE/DIRECTOR OF CORPORATE SERVICES

AUDIT COMMISSION – PERFORMANCE MANAGEMENT REVIEW

1. Executive summary

- 1.1 Wirral Council has made some significant steps to improve performance management both across the organisation from a corporate and departmental perspective, and for Wirral's local strategic partnership.
- 1.2 In April 2009, the Audit Commission began a review of the performance management arrangements in place across the council, in order to work with the authority to deliver further improvements. A key aim of the review is to focus upon how performance management is applied consistently across departments. It is anticipated that the review will not only examine progress and highlight areas of good practice, but will also identify further opportunities for improvement.
- 1.3 The review was divided into a number of stages, the first of which involved an online survey with a sample of managers across the council, and a baseline questionnaire exercise to obtain an initial picture of performance management arrangements and issues within departments. The purpose of this stage was to identify some preliminary messages and indicative findings to inform the more detailed work in stage two, rather than to provide judgments or conclusions.
- 1.4 This report provides the initial findings from the first stage of the Audit Commission's work, and presents the next steps to be taken. A report outlining the findings of Stage One of their review, titled "Performance Management" Stage One – Audit Commission, August 2009, is attached at Appendix 1.
- 1.5 The Audit Commission is currently undertaking a Better Financial Management Review and it is intended that the second stage of the Performance Management Review will be integrated with this work.

2. Background

- 2.1 Wirral Council has significantly strengthened its approach to performance management and this can be evidenced through the following developments:
 - The 2008 Comprehensive Performance Assessment (CPA) assessed Wirral as a 3 star council – improving well

- The production of Wirral's sustainable community strategy which sets out a 2025 vision for Wirral;
- The launch of Wirral's 2008/11 Corporate Plan in April 2008 which sets out 5 clear strategic corporate objectives, medium term aims and annual priorities for improvement
- Revisions to both the format and timetable of reports to elected members to combine financial, performance and risk information to enable effective decision making.
- The development and adoption of a consistent format for departmental business planning to fully reflect the contribution which departments will make towards the Corporate Plan.
- The launch of Wirral Council's data quality policy in 2007 and implementation of the data quality action plan to further improve arrangements, including the roll-out of a data quality training workshop.
- A robust approach to target setting implemented across the Council.

2.2 The latest direction of travel statement from the Audit Commission reflected the improvements made and included the following judgment:

"The Council continues to develop its capacity for future delivery and has improved its arrangements for managing its resources. Ambitions and priorities for the area have been clarified and performance management arrangements are being strengthened."

2.3 The Council recognises that there is further work to be done, and we will continue to develop our performance management arrangements to drive further improvements. This review will act as a catalyst to these further improvements, providing the Council with a series of findings, rather than recommendations, and providing a focused improvement planning session to explore areas for further development.

3. Findings from Stage One

- 3.1 The report outlining the findings from Stage One is attached at appendix 1. This report provides the initial findings from the baseline questionnaire exercise which was completed by each department, and the findings from the online survey exercise, and does not at this stage form only judgments. The purpose of the report is to outline areas which might be further explored at Stage Two. The online survey was distributed to a sample of 705 staff comprising chief officers and senior, middle and first line managers. 442 responses were received, giving an excellent response rate of just under 63%.
- 3.2 The findings reflect the significant improvements Wirral Council has made in performance management, particularly with the overwhelming majority of the 442 respondents consistently agreeing or strongly agreeing with nearly all of the questions in the online survey which probe the corporate direction, the shared vision, the approach to managing service performance, improving services, improving performance management and improving people management.
- 3.3 Specific findings which the Audit Commission draw out in their review include the following:

- The sustainable community strategy and corporate plan are generally recognised as strategic drivers (91.9% of respondents either agreed or strongly agreed that there are clear Council-wide strategic objectives, aims and improvement priorities which set out an overall direction for the Council. Also, 85.3% either agreed or strongly agreed that there are clear departmental and corporate targets for performance and 87.6% of the 442 respondents agreed or strongly agreed that there are clear objectives, standards and targets for their service.)
- The Key Issues Exchanges (KIE) are clearly given high priority throughout the Council and provide an effective means of promoting ownership of corporate and partnership priorities. (81% of respondents either agreed or strongly agreed that they understand how the work they do contributes to delivering our vision and shared priorities. Also, 79.5% either agreed or strongly agreed that they have personal objectives which are linked to service objectives, targets and standards and 79.9% of respondents either agreed or strongly agreed that there is a service / team plan which sets out how service objectives will be achieved).
- Departments are working in a wide range of partnerships and delivering many national and regional imperatives. (71.6% of respondents agreed or strongly agreed that the Council works constructively with its partners to deliver on its vision and shared priorities).
- The Council has a generally strong approach to people management. (94.1% of respondents either agreed or strongly agreed that they understand their role and responsibilities for managing employees in their service, and 80.4% either agreed or strongly agreed that they are familiar with and understand the Council's HR policy frameworks, procedures and processes for managing people).

3.4 Whilst the above findings are extremely positive, one of the key purposes of working with the Audit Commission to examine our performance management arrangements was to identify areas for further investigation and improvement. The Audit Commission have set out areas to be probed further.

3.5 Following Stage One of their review, the Audit Commission have proposed to use Stage Two to investigate the following areas in further detail:

- Understanding of strategic priorities and links to service/team plans
- Approach to business planning within services and how this links to / is supported by corporate arrangements
- Planning for improvement – how engagement with other service providers and local people is used in target and standard setting
- Workforce planning
- How the information technology needs of service areas are being addressed to support continuous improvement

- Member engagement in challenging performance.

4. Next Steps

- 4.1 Stage two of the review will be integrated with the Audit Commission's Better Financial Management Review and will involve a series of focus groups with managers and elected members, to further explore the issues raised during stage one. This stage will also involve "departmental tracers" whereby a review of key corporate and service documents used to improve performance will be carried out, with a focus on two selected departments, Technical Services and the Children & Young People's Department.
- 4.2 The final part of the review will involve an improvement planning session facilitated by the Audit Commission, focused upon any issues raised during the review, with the purpose to enhance existing performance management arrangements within Wirral.

5. Financial implications

- 5.1 There are no immediate financial implications for Wirral resulting from this report

6. Staffing implications.

- 6.1 There are no staffing implications for Wirral resulting from this report.

7. Equal Opportunities implications

- 7.1 There are no equal opportunities implications for Wirral resulting from this report

8. Community Safety implications

- 8.1 There are no community safety implications for Wirral resulting from this report.

9. Local Agenda 21

- 9.1 There are no environmental implications for Wirral resulting from this report.

10. Planning implications

- 10.1 There are no planning, land use etc. implications for Wirral resulting from this report.

11. Anti-poverty implications

11.1 There are no implications for people from deprived communities in Wirral resulting from this report.

12. Social inclusion implications

12.1 There are no implications that will potentially exclude individuals or groups from accessing services resulting from this report

13. Local Member Support implications

13.1 There are no local member support implications arising from this report.

14. Background Papers

14.1 None.

15. Recommendations

15.1 Audit and Risk Management Committee note the findings of Stage One of the performance management review, and the areas for further focus outlined in section 3.5.

15.2 Committee members note the intention that Stage Two of the review will be integrated with the Audit Commission's Better Financial Management Review to reflect and build upon the improvements the council has made towards integrating performance and financial management.

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