

Audit Detailed Report

March 2006



# **Performance Management**

**Chorley Borough Council**

**Audit 2004-2005**

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# Summary report

## Introduction and background

- 1 Organisations with effective performance management arrangements know what they need to do and are therefore more likely to be able to improve the services they provide to local people. Managing performance involves more than just setting up a system. It is also about getting the right culture and leadership in place and focusing on what matters most.
- 2 In 2004, Chorley Borough Council's comprehensive performance assessment (CPA) found that on balance performance management weaknesses outweighed strengths. However, key strengths that were identified included frameworks for service planning, effective responses to under-performance in some areas, and published service standards for some services.
- 3 Over the last 12 months, the Authority has demonstrated a positive response to CPA. The performance management issues identified as needing further development have been incorporated into the corporate improvement plan (CIP) and action is now being taken to address them.

## Audit approach

- 4 Our work was designed to support the Authority as it further develops its performance management arrangements. In carrying out the review, we have probed specific improvement areas identified in the CIP and sought to assess the progress and impact that has been achieved.
- 5 In carrying out our work, we have reviewed key strategies and plans as well as current performance management guidance, templates and unit business plans for 2004/05 and 2005/06. We have also undertaken a number of 'one-to-one' interviews with lead directors and service managers in Corporate Policy, Housing, Finance and Leisure and Cultural Services and facilitated two staff focus groups in order to:
  - identify levers and any potential barriers to the adoption of good practice in performance management using the Performance Management, Measurement and Information good practice (PMMI) self-assessment/ checklists developed by the IDeA and the Audit Commission;
  - assess the level of understanding and awareness of performance management amongst a cross section of managers and staff;
  - assess whether there is scope to improve action planning at community, corporate and service plan levels, including how effectively audit and inspection recommendations have/are being implemented; and
  - look at how services are using performance information to measure, monitor and report performance.

## Overall findings and conclusions

- 6 The Authority is continuing to take positive steps to strengthen arrangements for effective management, measurement and monitoring of performance. Current initiatives and future plans focus on the right areas in that they are aimed directly at identified weakness. Initiatives are generally supported by detailed action plans setting out clear priorities, target dates for delivery, responsible officers and anticipated outcomes.
- 7 The need for change has already been recognised in the CIP and resources are being made available to support the delivery of the identified improvements. The 'Performance Plus' software, once fully implemented, should help to improve the way the Authority measures, monitors and reports on its performance against key corporate and service level priorities and objectives.
- 8 If the Authority is to achieve the change in culture and process that it desires, a number of areas need further development, as outlined below.
  - Clear vision. Senior managers and leading members are now focusing more clearly on corporate priorities as the basis for decisions and resource allocation. Significant investment has been diverted into priority areas. However, some staff are unclear about what the Council's vision, key priorities and objectives actually mean in practice and how community aspirations are being met.
  - A new community strategy has been developed by the Chorley LSP to act as an overarching framework for corporate, service and theme-specific plans for the Council and its other partner bodies and agencies in the LSP. The Council is now actively engaged in reviewing its existing corporate priorities in order to implement the principal elements of the new strategy so far as they can be addressed by the Council through the exercise of its functions. It is considering which elements of the strategy it will be responsible for delivering (either alone or in partnership) and how delivery of the strategy will be resourced.
  - Leadership. Positive progress is being made in this area. Good performance is recognised and celebrated. Senior managers and members are using the community vision to motivate managers and staff, to engage with them in an open and honest way, and to gain commitment to improvement. The 'improve4 u' initiative is in place and has been well-received by staff. However, there is a need to better communicate and publicise to staff the changes being made as a result of the issues identified in staff surveys.
  - The Authority has signed up to the North West Employer's Charter for Elected Member Development and a Member Development and Leadership Programme/training is in place. So far, this has not been well-attended and some members have yet to complete their development questionnaires.

## 6 Performance Management | Summary report

- Creating a performance orientated culture. A more identifiable performance orientation is emerging, particularly in the context of the new community strategy. Performance management and improvement are integrated with other Council processes, and whilst the majority of managers see it as an integral part of their job there are still a minority of managers and staff who still see them as an 'add-on'. There is a lack of consensus among staff about what performance management involves and, consequently, what a performance orientated culture should look and feel like. This suggests that a performance orientated culture is not yet fully embedded across the Authority. Further work is needed.
- Customer and citizen focus. A strong customer-focused approach has developed, with service standards increasingly being set following consultation with customers and other service users. Performance monitoring and review includes assessment based on citizen and customer feedback and consultation, and whilst performance is generally very strong, the focus on outcomes is not yet consistent in all service areas.
- People management. Weaknesses identified in the CPA and the Audit Commission people management and capacity reports have been acted on swiftly. An HR strategy and supporting business plan are now in place and, although many initiatives are very recent, good progress is being made with positive feedback from managers and staff on the initiatives already introduced. A comprehensive performance, development and review process is in place supported by a new competency-based framework. Revised guidance has been put in place to support managers in progress and development reviews.
- Planning and service review. Strengthened performance management arrangements are underpinned by corporate service and theme specific plans that seek to integrate corporate service and financial planning processes. Peer challenge is adding value to the process. However, unit business plans do not consistently make clear links between the Council's three corporate priorities, individual service objectives and performance indicators/targets. The resource requirements and/or opportunity costs of specific actions now need to be fully quantified.
- Some key tasks within plans do not follow 'SMART' principles, and the narrative given in Annual Updates does not consistently report the actual progress achieved or explain the reasons for slippage. The use of 'ongoing' or 'to be completed' makes it hard to assess what progress has actually been achieved or when service improvements will be delivered. The Audit Commission will endeavour to provide some good practice examples of how this has been achieved in other authorities.

- Performance measurement, monitoring and reporting. The Authority has defined the outcomes it needs to deliver in order to realise the community vision, and these outcomes are owned and understood by nearly all the managers and staff we surveyed or interviewed. Nevertheless, existing measures of performance do not fully reflect the Authority's objectives. Managers and staff do not have a clear understanding of how the Authority is performing overall against the three corporate priorities or about which areas are improving or worsening.
- 9 There is a need to increase the number of local PIs that measure outputs and outcomes for local citizens. The introduction of 'Performance Plus' and the identification of a basket of key indicators should help in this regard, but the Authority needs to address concerns raised in the 2003/04 PI audit around the quality of data. Furthermore, target setting is not yet being used consistently to drive continuous service improvement.

## Recommendations

- 10 We have made a number of recommendations for the Council to consider. These are made in the context that in many cases the Council through its improvement planning process had identified these matters as issues. The recommendations are made to ensure that there is a shared view between ourselves and the Council as to what still needs to be done in order for the Council to achieve its improvement goals.

<b>Recommendations</b>
<p><i>R1 The Council should continue to ensure that its vision and objectives drive performance improvement by:</i></p> <ul style="list-style-type: none"> <li>• <i>clearly defining what the Council's vision, corporate priorities and objectives mean in practice and disseminating to managers and staff;</i></li> <li>• <i>reviewing existing corporate, service and theme specific plans to ensure that they fit with the new community strategy; and</i></li> <li>• <i>developing and monitoring action/implementation plans for all key corporate strategies.</i></li> </ul>
<p><i>R2 Carry out an impact assessment covering the short, medium and longer-term impact on the Council of the capacity, financial and other implications of the assessment of the new community strategy.</i></p>
<p><i>R3 To help embed a strong performance culture:</i></p> <ul style="list-style-type: none"> <li>• <i>consider what actions are required to address the issues raised by managers and staff during the course of this review; and</i></li> <li>• <i>more clearly communicate performance against the Council's priorities and objectives to managers and staff.</i></li> </ul>

### **Recommendations**

*R4 Further strengthen service and financial planning processes by:*

- *making clearer links between corporate priorities, individual service objectives and PIs/targets within and between unit business plans;*
- *ensuring that unit business plans consistently identify the resources required to deliver key tasks; and*
- *defining key tasks using 'SMART' principles, including target dates and clear identification of how services will be improved by delivering the identified actions.*

*R5 Continue to develop a mix of performance indicators that weight the balance of importance to those PIs that contribute to the delivery of the corporate priorities, and set targets consistently to drive continuous service improvement.*

*R6 Improve the quality of commentary within quarterly performance updates to cover progress, slippage and reasons for under-performance.*

*R7 Explore ways to improve take-up of the Member Development and Leadership Programme and remind members of the importance of completing the Member Development Questionnaire.*

## **The way forward**

- 11 The new corporate strategy has six strategic objectives, five of which mirror the community strategy priorities. In moving to a new corporate strategy, the Council has addressed in part some of the recommendations. The Council's sixth strategic objective is to ensure it is a performing organisation, and a key project for 2006/07 will be to embed effective performance and risk management. This project will result in a strategy and action plan and the recommendations contained within this report will be integrated by June 2006.



## Detailed report

### Detailed findings and areas for improvement

- 12 PMMI research confirms that the culture of an organisation (the shared beliefs and the written and unwritten policies and procedures that determine the way in which the organisation and its staff behave and solve problems) is crucial to understanding how to make performance management effective and is therefore a key factor in helping improve public services.
- 13 A self-assessment checklist has been developed by the IDeA and the Audit Commission to help local authorities to define where they are in developing a performance-orientated culture. We asked a cross section of managers and staff to complete the self-assessment in Chorley so that we could assess the progress being made in this area. The main levers and potential barriers for the Authority to address if it is to develop a more performance orientated culture and improve performance management arrangements are set out below. Responses from the two staff focus groups are set out in Appendix 1.

### Clear vision

Senior managers and leading members are more clearly focusing on corporate priorities as the basis for decisions and resource allocation, with significant investment being diverted into priority areas. However, there is no consensus amongst managers and staff about what the Council's vision, key priorities and objectives actually mean in practice.

A new community strategy has been developed following extensive consultation with key local strategic stakeholders. The Council recognises that it needs to review its existing priorities to ensure consistency with the revised community strategy. The need to define the actions it will and will not be responsible for delivering (either alone or in partnership) from within the community strategy and agree a funding strategy is accepted and will form part of the planned review later in 2005.

A formal risk assessment of the strategy has not yet been undertaken to help the Authority to assess whether it has the capacity, financial or otherwise, to deliver it.

### Levers for the Authority to build upon

- 14 A new community strategy for 2005 to 2016 has been developed through the LSP, following extensive consultation with key local strategic stakeholders (public, private, faith, community and voluntary sectors).
- 15 Corporate priorities were agreed by elected members as part of the existing corporate strategy to guide corporate, service and theme-specific plans.

- 16 Our review of cabinet minutes and reports confirms that elected members are more clearly focusing on corporate priorities as the basis for decisions and resource allocation, with significant investment being diverted into priority areas.
- 17 Of the managers and staff completing the PMMI self-assessment/good practice checklists:
  - two-thirds of staff think that the vision had been developed with all stakeholders including residents, service users and strategic partners (only 8 per cent think they have not been involved); and
  - 58 per cent think that the Council/they have a consistently clear vision of the economic, social and environmental conditions the local community wants.

### **Potential issues/barriers for the Authority to address**

- 18 It is accepted that the Council's three corporate priorities do not yet directly align with the revised community strategy. The Council's plans to review its corporate, service and financial strategies and plans later in 2005 to define which actions it will, and will not, be responsible for delivering (either alone or in partnership) from within the community strategy, and to agree a funding strategy with partners. A formal risk assessment of the community strategy will need to be undertaken to assess whether there is sufficient capacity, financial or otherwise, to deliver it.
- 19 Evidence from the staff focus groups and interviews suggests that managers and staff are generally unclear about what the Council's three corporate priorities actually mean in practice.
- 20 Two-thirds of staff completing the PMMI self-assessment/good practice checklists did not think there is ongoing dialogue between the Authority and the public to ensure priorities continue to focus on the needs of local communities.

## **Leadership**

The Council's response to Audit Commission/inspection recommendations is good and there is strong commitment to improve amongst managers and staff. Good performance is recognised and celebrated. Senior managers and members are seen to be using the community vision to motivate managers and staff, to engage with them in an open and honest way, and to gain commitment to improvement.

Staff surveys covering morale, commitment, attitudes etc are conducted and have been generally well-received with good levels of feedback and coaching from senior managers, although the actions taken as a result of the surveys are not always evident to staff.

The Council has signed up to the North West Employer's Charter for Elected Member Development and a Member Development and Leadership Programme/training is in place. However, this has not been well-attended and not all members have completed the development questionnaires to help further support the strategic leadership capacity of the Council.

## Levers for the Authority to build upon

- 21** Of the managers and staff completing the PMMI self-assessment/good practice checklists:
- 92 per cent think that good performance is recognised and celebrated in their service/department;
  - nearly 60 per cent think that senior managers and members use the community vision to motivate staff, gain commitment to improvement and engage with staff in an open and honest way. A further 17 per cent think that this happens for some or part of the time; and
  - 60 per cent think that staff surveys covering morale, commitment, attitudes etc are conducted, and there are high levels of feedback and coaching from managers in their service/department.
- 22** Our follow-up review on democratic renewal and housing repairs and maintenance confirmed that good progress has been made by the Authority in responding to Audit Commission/inspection recommendations to strengthen existing arrangements.
- 23** A Member Development and Leadership Programme is now in place and includes Member Training Needs Analysis. The Authority has signed up to the North West Employer's Charter for Elected Member Development.
- 24** Core Brief and Team Brief are generally well-received by staff and seen as a key mechanism for understanding what the Authority/service/department is doing and the progress being made.
- 25** The 'improve4u' initiative is in place and feedback from the staff focus groups suggests that this initiative has generally been welcomed by staff.

## Potential issues/barriers for the Authority to address

- 26** Of the staff completing the PMMI self-assessment/good practice checklists, half said they did not see any changes as a result of staff surveys. A further 25 per cent did not know.
- 27** In our questionnaire survey of 20 elected members, 42 per cent did not think that chairs and vice chairs are providing the right leadership and direction.
- 28** The Member Development and Leadership Programme/training is still not well-attended and not all members have returned the Member Development Questionnaire. 'One-to-one' interviews are available for members but, again, take-up is variable.

## Creating a performance orientated culture

A more identifiable performance orientation is emerging in some areas of the Council, particularly in the context of the community strategy. However, not all managers and staff have yet developed a sense of responsibility for the performance of the Authority and accountability for results is not consistently clear.

Performance management and improvement are integrated with other Council processes although some managers and staff still see it as an 'add-on'. A general consensus amongst managers and staff about what performance management is/means and consequently what a performance-orientated culture should look/feel like is not yet embedded.

### Levers for the Authority to build upon

- 29 Of the managers and staff completing the PMMI self-assessment:
- 92 per cent see a direct connection between what they do and how it benefits their service/department and the wider community;
  - three-quarters of staff feel that their manager(s) facilitate discussions at meetings on how performance can be improved, invite questions from them and design meetings to encourage two-way communication, problem solving, challenge and support;
  - two-thirds think that managers focus a lot of energy and emphasis on setting what is done in the context of the Council's community strategy/corporate priorities. Only 8 per cent of staff did not think that this feature was evident within the Authority;
  - two-thirds think that performance management and improvement are integrated with other Council processes and are not treated as an 'add-on'; and
  - more than half (59 per cent) think that new ideas are constantly sought, tried and reviewed.

### Potential issues/barriers for the Authority to address

- 30 There is no consensus amongst managers and staff about what performance management is/means and what a performance orientated culture should look/feel like.

- 31 Of the managers and staff completing the PMMI self-assessment:
- only 25 per cent of staff think there is a sense of responsibility for the performance of the Authority and that accountability for results is clear;
  - only half think that the Authority is consistently open to external challenge and willing to tackle tough decisions and difficult problems; and
  - 42 per cent think that the Council's leaders are committed to continual improvement for only some or part of the time.

## Customer and citizen focus

There is evidence in some services that the Council is developing a more customer-focused approach, with services and standards set following consultation with service users. However, in some areas, there are few targets and other measures of performance that have been developed with service users and that focus on outcomes and outputs for local people.

A new community strategy has been developed following extensive consultation and involvement with strategic partners and local residents, and an LSP and Citizen's Panel have been in place for a number of years. Performance monitoring and review includes assessment based on citizen and customer feedback and consultation.

Managers and staff have raised concerns around arrangements for public participation and access to services particularly in relation to representations to Planning Committee.

### Levers for the Authority to build upon

- 32 The Authority's performance is set out in the annual best value performance plan and performance information is also available on the Council's website and in other publications, such as 'Tenants News and Views'.
- 33 A new community strategy has been developed following extensive consultation and involvement with strategic partners, local residents etc. An LSP and Citizens Panel have been in place for a number of years.
- 34 Performance monitoring and review includes assessment based on citizen and customer feedback and consultation – eg through satisfaction surveys, Tenants Forum, Tenant Participation and relations officers in Housing, and Tenants News and Views.
- 35 Implementation of the 'one-stop shop', and developments in e-government and electronic service delivery demonstrate a move towards a more customer-orientated focus.
- 36 Evidence from our follow-up of recommendations made in the Audit Commission inspection report on housing repairs and maintenance shows that good progress has been made in addressing the issues raised, and clear standards have been set out following consultation with residents. Clients know what standards of service they can expect.

## Potential issues/barriers for the Authority to address

- 37 Despite being considered good practice nationally, members of the public are not able to make representations to meetings of the Planning Committee.
- 38 In our questionnaire survey of 20 elected members:
- 83 per cent do not think that members of the public and other councillors are able to participate in meetings of the cabinet; and
  - half do not think that Overview and Scrutiny is effective in safeguarding the interests of local people.
- 39 Managers and staff in the two focus groups have raised concerns around:
- communication and engagement with local residents – existing ‘two-page spreads’ in the Chorley Guardian are not felt to be useful for local residents because they do not present a clear view of what is improving and what is not improving;
  - performance monitoring and review – this tends to focus on quantitative measures rather than qualitative. ‘We measure the number of visits made but we don’t measure anything to do with quality/enjoyment. We don’t monitor repeat visits for instance’; and
  - facilities for people with disabilities, for example access to the Council Chamber.

## People management

Weaknesses identified in the CPA and the Audit Commission people management and capacity reports have been acted on swiftly. An HR strategy and supporting business plan are now in place. There is a comprehensive PDR process supported by a new competency based framework which includes assessment of learning/training and development needs.

These are relatively recent developments and as such have not yet had time to bed down fully. Our initial assessment is that good progress is being made with positive feedback from managers and staff on the initiatives introduced.

## Levers for the Authority to build upon

- 40 Weaknesses identified in the CPA and the Audit Commission people management and capacity reports have been acted on swiftly. An HR strategy and supporting business plan are now in place and there is monthly review of progress with the Executive Director and Head of HR. A draft learning and development strategy has been developed and is currently being consulted on with trade unions.

- 41 A comprehensive performance, development and review process is in place and is supported by a new competency-based framework. The framework includes annual 'one-to-one' performance appraisal of all managers and staff, the assessment of learning/training and development needs, and the setting of individual personal objectives linked to team, service and corporate objectives.
- 42 Revised guidance has been developed for use by managers and staff to support the PDR process. The guidance is easy to read and informative and includes 'how to' examples. Formal systems and processes are in place to identify high-achievers, under-achievers and to flag-up capability issues and monitor/report on sickness and turnover. Staff feedback in the two focus groups we held was generally extremely positive about the new PDR process and competency based framework.

### **Potential issues/barriers for the Authority to address**

- 43 In its HR strategy, the Authority recognises its inability to provide 'relevant and valid management information' and a 'lack of technological advances' as potential barriers to improvement.
- 44 During interview, some managers and staff have raised concerns about the Authority's capacity to deliver as well as the level of resources being made available to support the myriad of strategies and plans currently being developed or implemented.

## **Planning and service review**

Strengthened performance management arrangements are underpinned by corporate, service and theme specific plans that seek to integrate corporate service and financial planning processes. Peer challenge is adding value to the process. However, links between the Council's three corporate priorities, individual service objectives and PIs/targets are not consistently clear in unit business plans. In addition, some of the resource requirements/opportunity costs have not been quantified.

Key tasks included in plans are not consistently 'SMART' and some target dates are not easily measurable. The narrative given under progress in annual updates does not consistently report the actual progress achieved or explain the reasons for slippage or revised delivery dates. The use of 'ongoing' or 'to be completed' makes it hard to assess what progress has actually been achieved or when service improvements will be delivered.

### **Levers for the Authority to build upon**

- 45 A strengthened performance management framework has recently been introduced and training provided to all managers and staff. 'How to' guides on performance management have been developed (including templates) to help ensure consistency in coverage and approach. These are available for use by managers/staff. The guides are easy to read and incorporate recognised good practice.

- 46 Our review of 2004/05 and 2005/06 unit business plans confirms that the corporate guidance has generally been followed with a high level of internal consistency evident between the plans produced. An internal process of 'peer challenge' has been introduced to raise the quality of unit business plans. Our reviews of a sample of completed review checklists confirms the reviews are 'adding value'.
- 47 Of the managers and staff completing the PMMI self-assessment/good practice checklists:
- 67 per cent of staff think that there is a corporate plan in place that identifies the tasks and resources necessary to achieve corporate priorities;
  - three-quarters think that corporate, service and financial plans are integrated within their service/department with up-to-date unit business plans in place that translate corporate priorities into action plans;
  - 42 per cent think that resource allocation in their service/department is based on corporate priorities;
  - three-quarters of staff think that service and/or business plans link with/reference improvement reviews and action plans;
  - half think that service and/or business plans link with/reference financial and human resource requirements; and
  - the vast majority (83 per cent) feel that they are routinely involved in developing service/departmental plans and 93 per cent feel involved in setting targets and PIs for their service.

### **Potential issues/barriers for the Authority to address**

- 48 Our review of 2004/05 and 2005/06 unit business plans shows that:
- links between the Council's three corporate priorities, individual service objectives and PIs and targets are unclear. This makes it difficult to see how services are contributing to the delivery of corporate (and service level) priorities and objectives;
  - not all the resource requirements/opportunity costs reflected in the plans have been quantified and, as such, it is difficult to see how the costs associated with delivering the key tasks have been reflected in the financial planning process;
  - key tasks included in some plans are not consistently SMART and can be vague in what they are seeking to achieve. It is difficult therefore to understand how and why services will be improved by delivering the identified task; and
  - not all target dates are easily measurable (eg, reference to 'ongoing') and not all target dates have been completed.



- 49 Of the staff completing the PMMI self-assessment/good practice checklists:
- one quarter do not think that resource allocation in their service/department is based on corporate priorities, and a further 16 per cent think these links have only been partially achieved; and
  - less than half of staff (42 per cent) think that service/business plans link with/reference training and development needs/IT plans.
- 50 Action plans have been developed to support the delivery of all key Council strategies.
- 51 As reported earlier in this report, the implications of the Council's vision and priorities are not clearly understood by all managers and staff.

## Performance measurement, monitoring and reporting

The Council has defined the outcomes it needs to achieve to realise the community vision, and these are owned and understood by most managers and staff. Nevertheless, existing measures of performance do not fully reflect the Authority's objectives. Managers and staff do not have a clear understanding of how the Authority is performing overall against the three corporate priorities or about which areas are improving or worsening.

There is a need to increase the number of local PIs that measure outputs and outcomes for local citizens. The introduction of 'Performance Plus' and the identification of a basket of key indicators should help in this regard, but the Authority needs to address concerns raised in the 2004/05 PI audit around the quality of data. Furthermore, target setting is not yet being used consistently to drive continuous service improvement.

### Levers for the Authority to build upon

- 52 'Performance Plus' has recently been introduced by the Authority to better measure, monitor and report on its performance. In addition, a basket of key PIs and targets is being identified to enable managers and elected members to focus on what is most important, and to highlight areas of under-performance against key priorities and objectives.
- 53 There is regular, routine reporting at unit, service, department and corporate levels. Key performance indicators are reported in the monthly management team monitoring report. This includes explanations for identified poor performance.
- 54 Core and Team Brief, monthly one-to-ones with Executive Directors and with the Executive Member for Effective Service Delivery and quarterly reports to executive cabinet and Overview and Scrutiny Committee are cited as positive developments helping managers and staff to focus on priority areas set out in the CIP and service unit business plans.

- 55 In our questionnaire survey of 20 elected members, two-thirds thought that performance reporting had improved, with reports clearer, more succinct and providing the information needed to make decisions.
- 56 Of the managers and staff completing the PMMI self-assessment/good practice checklists:
- the vast majority (92 per cent) think that the outcomes the Authority needs to achieve to deliver the community vision have been defined, owned and understood by senior/line managers. Two-thirds of staff also think that they also own and understand the outcomes needed;
  - 83 per cent think that they/their manager are accountable for performance in their service/department; and
  - three-quarters think that poor performance results in action being taken to improve in their service/department.

### **Potential issues/barriers for the Authority to address**

- 57 None of the managers and staff we surveyed or interviewed had a clear understanding of how the Authority is performing overall (eg against the three corporate priorities) or could say which areas were improving, staying the same or worsening. Understanding was generally better at the service level.
- 58 Our 2004/05 PI audit found:
- 49 per cent of PIs to be inaccurate, with many errors relating to a failure to comply with standard definitions; and
  - weaknesses in data quality arrangements, notably a lack of evidence to support reported levels of performance in some areas and no independent verification of working papers or use of analytical review to help identify potential errors.
- 59 Our review of 2004/05 and 2005/06 unit business plans found that there is further room to develop and make use of PIs and target setting as means to support continuous service improvement. Most notably:
- there are insufficient local PIs and targets that focus on the outcomes/outputs to be achieved for local people. Most PIs and targets focus on inputs and process. The Authority may not therefore be measuring its performance across all five dimensions (qualitative, quantitative, input, output and process); and
  - PIs and targets have not been set for all service areas.

**60** Based on a sample of third quarter updates as at 31 December 2004, we found that:

- the narrative given under 'progress' is not always sufficient in that it does not consistently report the actual progress achieved or explain the reasons for any slippage or revised delivery dates;
- the use of 'progressing well' or 'to be completed' makes it hard to assess what progress has actually been achieved; and
- the use of 'ongoing' in the revised date column gives no indication of expected delivery and hence when service improvements will be achieved.

## Appendix 1 – Feed back from staff focus groups

### What is performance management? What do you understand by the term?

- It helps to focus staff – use it as a management tool.
- A long-term tool to keep focused on corporate and service issues.
- It's a mixture of things- what you do in your department and at a higher level corporately.
- It's about improving services to the customer – tied up with customer satisfaction.
- It's an essential part of what we do – a means of engagement with the community.
- It's continuous.
- Measuring against agreed criteria, setting priorities and meeting needs.
- Positive feedback – good and bad.
- Highlighting under-performance.
- It's a way of controlling what everyone does.
- It's about improvement - need to change or improve in some way.
- Is it about BVPIs?
- Is it about customer satisfaction?
- Does it cover training needs?
- I don't really know

### Do you know what the corporate priorities are/ what they mean?

- 1 Most managers and staff could say what the three corporate priorities are (capacity; customer; cleaner, greener, safer) but there was no consensus or shared understanding about what they actually mean in practice or what the Authority is seeking to achieve. Some examples were cited by staff as to what they thought the priorities meant, but not everyone could think of something under each priority heading.

## **Capacity**

- 2 The groups thought this was about:
  - investing in resources;
  - requirements/responsibilities;
  - growth items at department level to be met in budget/business planning cycles; and
  - delivering the service that the customer wants, providing the best value.

## **Customer**

- 3 The groups thought this was about:
  - improving services to the customer;
  - 'hard-to-reach' groups; and
  - partnerships.

## **Cleaner, greener, safer**

- 4 The group thought this was about:
  - recycling;
  - road servicing;
  - litter;
  - live work and visit;
  - anti-social behaviour; and
  - communities

## **Performance management – strengths/areas for improvement**

- 5 Staff were asked to think about three strengths and three areas for improvement. Not everyone could do this.
- 6 Strengths identified within the groups:
  - performance management driven from the top (officers);
  - well set out framework – new PDR process;
  - business planning much better - set clearer targets, objectives etc;
  - engagement with partners is improving;
  - new competencies are quite good;
  - Core Brief/Team Brief – used to celebrate success;
  - intranet is a good source of data;

- performance review – six-weekly one-to-ones are good;
- regular performance appraisals;
- willingness to adopt new checking measures;
- speak to each other more than five years ago; and
- good performance culture.

7 Areas for improvement identified within the groups:

- the Council is trying to change but it is too slow;
- the Authority is too invisible;
- learning culture is about taking chances – this is not in place in Chorley;
- leadership resistance to moving forward stifles real improvement;
- it is difficult for long-term staff to embed new processes/methods of engagement;
- competencies – professional/technical skills. Links are not quite right regarding focus and balance – represents a ‘risk’;
- Chorley Guardian ‘two-page spreads’ – not useful to the public;
- we don’t measure the effect/impact of what we do;
- we need more qualitative measures of performance/improvement – the number of visits tells you nothing about quality/enjoyment. We don’t even measure repeat visits for instance;
- complaints process – we don’t make enough of user feedback;
- performance management is not right – individuals, units, groups are ‘tubes’ in the dark. Units do their own thing. We are at risk as they don’t tell people – eg, undertake work in a building but do not check the asbestos register. Risk to professional standards/communication should be addressed;
- impact of job cuts on service delivery/capacity need to be assessed/communicated. We are always the last to know;
- need to be better at meeting skills deficits;
- need to have more discussion about who the customer is – not enough focus on the internal customer. Each service area needs to think about who they are trying to serve;
- need more effective training on scrutiny/engaging members to develop themselves;
- no real public engagement in the democratic process – eg, can’t speak at planning meetings. Many other councils allow this. If we were serious we would;

- disabilities are not well-catered for – eg Council chamber access for disabled people and hard of hearing not addressed – we are not involving/engaging;
- partnerships – struggling at the moment regarding partner buy-in; and
- not good at completing initiatives/assessing benefits/impacts achieved.

## Performance measurement, monitoring and reporting

### 8 Strengths identified within the groups:

- service level – achieving targets seen as rewarding;
- target setting links to services and key PIs;
- measuring and monitoring targets very good at unit level; and
- continuously reviewing what we do.

### 9 Weaknesses identified within the groups:

- managers and staff were not sure what is improving, staying the same or declining;
- there was little awareness of how the Authority is performing against its corporate priorities and objectives;
- we're top quartile in most BVPIs aren't we?;
- members are not driving the process - too much detail, need to clarify their role, especially overview and scrutiny;
- reporting performance needs improving;
- grass cutting was cited as a good example of how difficult it can be to keep members focused;
- scrutiny panels need to be innovative. Call in – £2,500, not key importance/top priority;
- we are being driven by political elections in May 2006;
- CPA not embraced by some members;
- not all staff understand the process of improvement and challenge;
- officers scope/manipulate the outcome; and
- need to be more customer-focused – benefits/outcomes.