

Strategic Planning Review

Authored By: Corporate Scrutiny Committee
South Derbyshire District Council
07/11/2005



Recommendations

1. That the Finance and Management Committee accepts this report.
2. That the council adopts the proposed planning process within this municipal year.
3. An exercise in visioning and priority setting is carried out in order to identify a long term vision that clearly represents the aspirations of the residents of South Derbyshire.
4. This process becomes an integral part of our corporate planning.
5. Ensure that arrangements are in place across the Council which support policy research and will ensure it is coordinated effectively (especially on cross cutting issues).
6. The Council must do what it has already undertaken to do in its Consultation Strategy and latest Corporate plan. Practice outlined in the strategy must be carried out and developed in order to meet the demands of modern day living.
7. The capacity of the Council to deliver a planned and coordinated consultation programme must be considered with the development of the Consultation Strategy.
8. Arrangements should be made to provide political groups with officer support to assist their own policy development.
9. The Council's current response to the CPA Inspectors report should be developed to address the aspect of Member engagement and wider stakeholder involvement within the Corporate planning process.
10. That a presentation and report on the F&M Committees' agreed outcomes from this report is delivered to key stakeholders.

To include:

- All Council Staff
- Parish Council leaders
- Area meetings
- The Local Strategic Partnership
- Residents



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Preface

By Councillor Stuart Murphy
Chairman, Scrutiny Corporate



This is the second review Corporate Scrutiny has undertaken in response to the CPA inspectors 2004 report. Our first review looked at our practice in Best Value because of its critical role in engaging stakeholders and improving services.

This review looks at our ability to make planned strategic change. This is a massive subject and encompasses a number of processes; each of which could warrant the full attention of a review on their own.

The review subject was adopted by the Improvement Panel and now forms part of the Improvement programme. It is for this reason that the Panel was established as the commissioning body. It received an interim report and was afforded the opportunity to feed into the review process before this report is delivered to the Finance and Management Committee (F&M).

This report offers recommendations on a new, more inclusive strategic planning process. It contends that a long term strategic vision tied into the process will lead to improved service delivery and performance management; our practice was criticised by the CPA Inspectors and it is now becoming apparent that our current performance is below expectation¹.

It also reinforces this Committees conclusion in its recent Best Value review and contends that communication, engagement and change management must be embraced if improvements in service delivery are to be realised.

Terms of reference for review

To assess the Councils current Strategic Planning practice. To identify barriers and opportunities and make recommendations to the Finance & Management Committee (F&M) for an improvement to current practice in a timely manner that will add value to the work of the Improvement Panel.

A handwritten signature in black ink, appearing to read 'Stuart Murphy', written over a horizontal line.

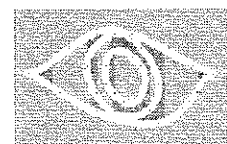
¹ SDDC BV plan 2005 P.20

Conclusions

Current Practice	Proposal
Corporate Plan	
<p>We are building a good Corporate plan although we can improve it to better show the links between other key strategies and partnership activity.</p>	
Long Term Visioning and Strategic Planning	Creating a Vision
<p>Our current practice in Strategic planning does not go beyond the short term. This limits the number of options available in any planning phase.</p>	<p>The committee recommend that an exercise in visioning and priority setting is carried out in order to identify a long term vision that clearly represents the aspirations of the residents of South Derbyshire.</p> <p>This long-term aspiration will guide and inform consecutive 3 yr corporate and financial plans (App 2). The stability created by this process will allow for planned improvement whilst ensuring that resident and political priorities give direction and drive performance.</p>
Our Present Annual Process	The Proposed Annual Process
<p>Ambiguity in both roles and the contribution individuals make to the corporate mission and priorities is a contributing factor in poor performance management.</p>	<p>The cycle is clearly defined and requires members to drive policy development as well as agreeing priorities and levels of service delivery.</p> <p>The proposed process offers continuous performance management that connects service delivery with the strategic planning process.</p>
<p>Current practice limits the opportunity for transparent and open debate amongst stakeholders. This impacts on Corporate Governance and reduces the transparency of the whole process.</p>	<p>It is an inclusive planning cycle with regular structured consultation on performance relative to medium and long-term goals.</p> <p>It will improve our Corporate Governance with increased accountability and resident engagement.</p>



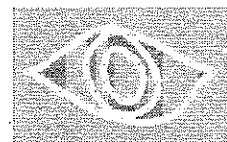
Current Practice	Proposal
Prioritising/shifting resources	Know Your Priorities
<p>In particular debate on high level issues such as priorities and aims is reduced. Agreement on what our non priorities are is yet to be made.</p>	<p>Agreeing a Vision will lead to discussion on what are our priorities, equally the discussion will lead to an understanding of what are not priorities. It is this understanding that completes the picture and truly allows informed decisions for the efficient and effective allocation of resources.</p> <p>As with our vision, our priorities must echo the needs of our residents. It is therefore important that we resist the temptation to focus solely on those things we know we can deliver ourselves.</p>
<p>It is unclear whether policy committee research is formally coordinated.</p>	<p>Coordination of policy is essential in maintaining direction. It is important that arrangements are in place across the Council which support policy research and will ensure it is coordinated effectively (especially on cross cutting issues).</p>
<p>Political groups are not facilitated in their own policy development.</p>	<p>Arrangements should be made to provide political groups with officer support to assist their own policy development.</p>
The Role of Finance	Finance
<p>We operate a condensed process that gives little time for effective or inclusive member engagement</p>	<p>The proposal breaks the current dependency of our corporate planning on the budget process. Member engagement and consultation are vital to the process.</p>
<p>The corporate planning process is budget led which distorts priorities. This ensures that only affordable issues are discussed</p>	<p>The Committee believe that an improved Corporate Planning process will lead to an improved financial strategy and a more robust application of performance management</p> <p>It links our medium term financial planning with our corporate planning and places strategic priorities and corporate planning before budget setting.</p>



Current Practice	Proposal
Consultation	
<p>The council reacted well to the challenge set by the introduction of the BV program. However, progress has stalled; work in 2002 to carry the consultation strategy forward has not been finished.</p>	<p>Consultation, communication including feedback to the public must be improved.</p>
<p>Our desire to achieve a strategic and coordinated approach to consultation has not been realised. There is a doubt as to whether we are maximising all opportunities to consult and whether any consultation is informing the big picture issues that the Corporate plan must address.</p>	<p>The Council must do what it has already undertaken to do in its Consultation Strategy and latest Corporate plan. Practice outlined in the strategy must be carried out and developed in order to meet the demands of modern day living.</p>
<p>Resource constraints in the Policy dept are cited as a contributing factor in the lack of progress in this area.</p>	<p>The capacity of the Council to deliver a planned and coordinated consultation programme must be considered with the development of the Consultation Strategy.</p>
<p>The Council recognises the importance of effective consultation which is demonstrated in the latest Corporate plan and CPA improvement program, there are also recent examples of good and effective practice.</p>	
Why Change is important	
<p>We are now seeing a number of our targets falling short of our goal of upper quartile performance. In fact it is starting to look like we will not even meet some of our own targets.</p> <p>The challenge therefore is not to merely improve our services; we must improve at a rate that is better than our contemporaries.</p>	



Current Practice	Proposal
CPA Report (May 2004)	
<p>The CPA inspectors questioned the effectiveness of member engagement as well as our processes.</p> <p>The Committee contend that unless energy is expended in engaging Members and stakeholders more effectively in all the corporate planning processes any progress will be slow and incidental rather than planned and significant.</p> <p>Ownership for a selection of CPA observations falls mainly into 3 categories: Strategic Thinking, Strategic Planning and Leadership.</p>	<p>The Council's current response to the CPA Inspectors report should be developed to address the aspect of Member engagement and wider stakeholder involvement within the Corporate planning process.</p>
Changing what we are doing	
<p>It is not in the writing of a plan but the journey that stakeholders must take in order to agree the writing of a plan that matters. The understanding, the knowledge that comes from having taken this journey will give the confidence to challenge decisions on a strategic level.</p> <p>Risk management and performance management are easier when you understand the bigger picture and can see the datum from which you should be measuring.</p>	
Performance Management	
<p>The Committee are sceptical that unless there is significant change in our current approach in Performance Management that any change will ever be realised.</p> <p>Performance management is about good quality timely information that is easy to access; Unless management are willing to take difficult decisions and be strong and firm with failing performance then it is of little use.</p> <p>The committee is pleased to see that meaningful steps are now being taken to address this issue and intend to review progress on this critical area.</p>	



Context

Corporate Plan

11. Our experience at corporate planning is still relatively short. The Council's first Corporate Plan was approved by the F&M Committee on 11th October 2001. It was produced at a time when the Council was trying to rebuild itself after the financial crisis in 1999/2000. It was an important building block in the steps that were being taken to manage the organisation more effectively and to safeguard its long-term financial security. The Plan looked forward for 18 months and was primarily inwardly focussed.
12. The improvement proposals arising from the work undertaken (the 'Peer Challenge') to prepare for the Comprehensive Performance Assessment (CPA) inspection in January 2004 were included in the third Corporate Plan 2004/07.
13. The third Plan was more externally focussed. This was to enable the Council to respond effectively to the challenges it now faces, such as being the fastest growing district in Derbyshire; balancing the protection of the environment with development needs whilst developing a Community Strategy and helping the Council to develop and promote its community leadership role. Targets are now set over a 3-year period with 1-year milestones. Quality of life indicators together with expected outcomes at the end of the plan period are also included.
14. It is clear that we are building a comprehensive Corporate Plan; and soon it will be developed to include the Community Strategy. However, it is clear that we can always improve. There are many excellent examples of Councils who have managed to demonstrate a clear vision, process and links between strategies in their corporate plans. Of course, we must ensure that whatever we do fits SDDC best. There will be an element of redesigning to ensure this, but we are not in the position of starting from scratch.

"The plan is not obviously linked and cross referenced to partners and other partnership activity in which the council is involved"²

² CPA Inspectors report for SDDC 2004

The table below gives an indication of the balancing act that our corporate planning must make. There are many more plans and strategies in addition to those listed here that the council and corporate plan must manage.

Key Policy Documents for SDDC Themes							
Plan	Strong and safe communities	Prosperity for all	Rural Britain	Britain, strong in the world	Political renewal	A modern welfare state	World class public services Fast, high quality health care
Labour Government Manifesto	Strong and safe communities	Prosperity for all	Rural Britain	Strong in the region	You at the centre	Sustainable communities	High Quality Services
SDLP Manifesto	Strong and safe communities	Prosperity for all	Rural Britain			Healthy communities Lifelong learning Sustainable environment	
LSP	Safe Communities	A vibrant economy Creating opportunities for all					
SDCP 2004/7	Crime	Economic Development			Community Involvement	Environment Arts and Leisure	Housing
Derbyshire County CP 2003/5	Reduce crime, fear of crime and risks to safety	Strengthen the local economy and tackle deprivation		Raise awareness and understanding of Derbyshire	Enhance community leadership	Improve health and assist independent living Improve participation in Learning Improve access to leisure, recreation, information, learning and culture Improve transport Enhance the environment	Best value in service delivery

Current practice

Long Term Visioning and Strategic Planning

The "Las Vegas Vision"

15. Our thoughts for this review began with a light hearted discussion that resulted in the following question:

"How would our current practice in strategic planning provide the vision and resources to provide Swadlincote High Street with a Las Vegas Style weather proof roof, designed to give multi-media shows to the shoppers below?"

An extensive project, beyond the finances of SDDC.

The point being;

Our current practice in Strategic planning does not go beyond the short term.

"There are presently no long term vision arrangements in the Council, although we have started to build a 3 yr finance strategy into the corporate planning cycle."³

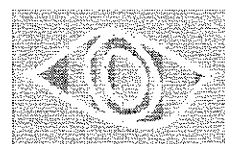
16. This limits the number of options available in any planning phase.

"It is obvious that the length of the strategic plan limits the options that are open to the Council."³

17. This in turn means that only incremental change is possible. Whilst this may provide some with the safety of knowing that there are no surprises around the corner, the slow pace of change that this situation encourages will ensure that we are always at the back end of the change curve. We will always find ourselves responding to instruction and Government led change.

18. The Committee feel that many of the issues raised through this review will be improved by engaging stakeholders in a process to identify a long-term vision together with associated priorities and by stretching our strategic planning over the medium and long term.

³ Quote from Interview



Our Present Annual Process

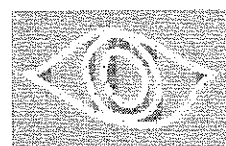
Time for Planning
(See Appendix 1)

19. There is no doubt that visioning, strategic planning and the setting of a co-ordinated policy framework that engages all stakeholders to a degree, whereby they feel a sense of ownership is a difficult task. Many organisations and councils similar to our own have yet to find a satisfactory solution. In this respect we are no different to many of our contemporaries throughout the country.
20. The picture is a complex one; how do we balance resident issues with local political aspirations? How do we deliver Government demands and statutory requirements? How do we co-ordinate all of these demands whilst ensuring stable and sustainable finances?
21. The solution to a complex situation lies in meaningful participation by all stakeholders; working together to create a solution.

"There is a lack of clarity about member and officer roles relating to policy and strategy development"⁴

22. Current practice relies heavily on the policy department developing the corporate plan through a process that is largely outside of any committee agenda. Committee reports are trawled for evidence of progress and key members' views are elicited and then built into the developing plan.
23. The development of the 2005/08 plan involved members of the Improvement Panel. Priorities were set and agreement that it would be largely rolled forward in preparation for a significant review later in 2005.
24. Whilst this approach ensures that key political views find their way into the plan it limits the opportunity for transparent and open debate either in Policy committees or Full Council.
25. In particular debate on higher level issues such as aims and priorities is reduced. Agreement on what our "non priorities" are is yet to take place. These issues impact on our understanding of the very core of the plan; decision making

⁴ CPA Inspectors report for SDDC 2004



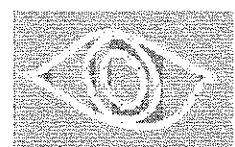
is made more difficult which ultimately affects our performance management practice.

26. Considering the above, there should be no surprise that our approach to planning is project based and short term in nature.

27. Planning implies knowing what you want to do and what you must be doing at a time in the future. This requires an element of research in both scanning issues on the horizon and in finding solutions to them.

28. It is unclear whether policy committees' research is formally coordinated. However, we must assume that some sort of coordination on their behalf takes place by lead officers.

29. The importance of effective political leadership has already been identified. However, presently political groups do not receive any facilitation from the council for their own policy development. The capacity of members to research and develop their own policy is limited by the fact that many work fulltime.



The Role of Finance

30. It is essential that the Corporate Plan is underpinned by a sound financial strategy. It should represent the aspirations of the political leadership and represent, through robust consultation the expectation and will of the residents of South Derbyshire.
31. Our current practice in corporate planning is heavily influenced by the budget planning cycle. Even this does not start when required by the Councils Constitution.⁵ Planning is delayed until the budget settlement figures for the coming year are received from Government.
32. The Committee is not faulting this prudent approach to finances, but holding the process in abeyance in this manner loses valuable planning and consultation time.
33. The result is a rushed process with limited consultation. It ensures that issues are viewed in terms of affordability before desirability. It places Finance before Function.

There is a thin line between prudent financial management and an approach that stifles ambition and aspiration.

34. There is little opportunity for Members to have any meaningful involvement, even in the strategic process of identifying risk management issues.

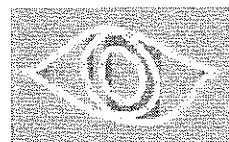
"The main weaknesses in the Council's approach are that Members are not involved in identifying and managing risk"⁶

35. It is little surprise that Members should find it difficult to ask the right questions and gain the level of understanding that effective performance management requires.
36. The positive that comes from operating this condensed process is that we have become adept at responding quickly when required. It is a significant strength and demonstrates a capacity amongst Officers and Members to focus and react quickly when required; a strength not missed by the CPA inspectors.

"there are good and effective relationships between officers and councillors, which facilitates strategy development"⁷

⁵ Corporate Scrutiny report to F&M committee 2005

⁶ CPA Inspectors report for SDDC 2004



37. This strength is key if we are to improve our approach to Corporate planning.

Why improving financial management is so difficult

Inspections and local audits have uncovered many reasons.

It's the finance departments' job!

Financial management is too often seen as the narrow preserve of the accountants with limited buy-in by elected members and the corporate management team.

Too much annual fire fighting

Longer-term planning is not done effectively because we can't plan against the uncertain backdrop of annual financial settlements from central government.

Unclear relationships and ground rules

The respective roles and relationships between corporate and service departments in relation to delivering improvement are often unclear or are not updated regularly.

No link between performance and financial management

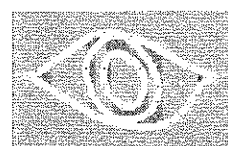
The budget-setting period is sometimes the only time that service managers get involved in financial management issues.

Lack of a culture that believes transformational improvements are possible

The financial culture of many authorities, and finance departments in particular, is not sufficiently ambitious and can sometimes encompass a lack self-belief.

Improvement through better financial management.
Audit Commission 2001

38. The table above highlights the experiences of many local authorities. There are areas and issues here that were raised by the CPA inspectors, by this Committee in the recent Best Value review and again in the recent Housing audit.
39. The Committee believe that an improved Corporate Planning process will lead to an improved financial strategy and a more robust application of performance management.



Consultation

What we have said we will do

40. The Council has a general duty (as part of the Best Value regime) to consult local people, service users, the business community and partners about the services it provides, its performance and its targets for the future.
41. The Council is also required to consult on a range of specific issues such as land use, planning, the crime and disorder strategy etc.

One of the guiding principles of the current Corporate Plan is:

'involving the community in choices about services and local priorities'

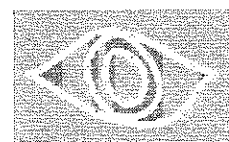
42. In 2000, the Council published and adopted a Consultation Strategy as required by Best Value guidelines.

The Strategy contains:

- o a summary of consultations undertaken, objectives and contact points
 - o consultation toolkit
 - o consultation action plan – list of consultation exercises to be undertaken over the next 12 months i.e. period 2000/2001
43. In 2002, preliminary work was undertaken to update the Strategy in the light of experience and emerging best practice. However, this work has not been progressed due to resource constraints and other priorities within the Policy Unit.
 44. District Audit, the Council's external auditor identified the use of consultation exercises to inform political and managerial decision and policy making as an area for improvement.
 45. Completing the review of the Strategy and developing an annual programme of communication and consultation is now an agreed priority with the Audit Commission (through the CPA Improvement Plan).

What we have done

46. In 2002 there was consultation on the new political management arrangements and E govt agenda. The Citizens Panel was established and joint consultation arrangements with the County (protocols and guiding principles) were agreed. A Derbyshire Consultation Group was established to

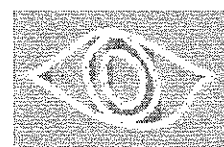


coordinate consultation within the County. The Council established Tenant Participation compacts.

"The Council is committed to involving the community in decision making. Local people have told us this is important to them and it is now a corporate priority" ... "consultation has provided valuable insights into service delivery and has helped with the challenging part of the review process"⁷

47. More recently, the 2004 BVPP has reported performance on the national User Satisfaction surveys, including a comparison of performance in 2001/02. These surveys are conducted every 3 years; the next will take place in 2006/07.
48. A variety of quantitative and qualitative tools and techniques have been used to consult local people and other stakeholders including area meetings, public notices, focus groups, telephone surveys, videos, newsletters, questionnaires and public meetings.
49. The South Derbyshire Citizens Panel is one of these mechanisms. The Panel (which forms part of a county wide network) comprises 1,000 residents (chosen to be representative of the district's population as a whole).
50. Since 2002, the Panel has been consulted 3/4 times a year and asked for their views on Council and County Council services and work by Partnerships, such as the Safer Derbyshire Partnership and the South Derbyshire Local Strategic Partnership.
51. Resource constraints (primarily within the Policy Unit) have meant that the operation of the Panel has relied heavily on support from the County Council and other partners, through the (officer) Derbyshire Community Engagement Group.
52. Looking ahead, it can be expected that 'e-consultation' (a 'priority outcome' within the national 'e-government' agenda) will play an increasingly important part in the Council's approach to consultation. Locally, changes to the web site and the rollout of training on e-forms will facilitate this.
53. Coordinating consultation is now an action area in the new Corporate Plan – (Note : the BVPP 2005 suggests it has not been undertaken due to resource constraints)

⁷ Extracts from BVPP's



Recent Progress

54. Over the past 18 months, important consultation 'milestones' have included:
 - Consultation on the options for the future management of Council homes
 - The implementation of an organisation wide employee survey
 - The development of the Statement of Community Involvement (as part of the new Local Development Scheme)
 - Consultation linked to the development of the Community Strategy (which included work by South Derbyshire CVS with hard to reach groups)
 - Junior needs survey
55. Despite the progress that is being made, there is a real sense in which consultation is not informing/shaping the 'big picture' questions that the Corporate Plan must address.
56. There is also some doubt as to whether all the opportunities for consultation are being maximised, including the daily interaction which takes place between Council departments, citizens and service users.

A case for improvement

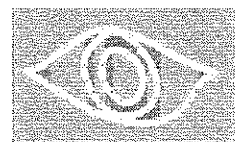
57. Priorities must come from sound and robust consultation. Service users must be allowed their voice and the chance to exercise their right in determining the priorities of the Council.

"It is only by focusing on users' experience that public services can deliver improvements that are relevant and add public value. This means that successful change programmes must begin and end with an understanding of what matters to users."⁸

58. Effective consultation is the heart of modern Corporate Governance. It is the very beginning of every planning process and must form the end with meaningful evaluation. The CPA inspectors questioned our current practice and doubted that we had effectively engaged all groups in our own planning processes.

Corporate governance is the framework of accountability to users, stakeholders and the wider community, within

⁸ Sir Andrew Foster, Change Here, Audit Commission Report 2001



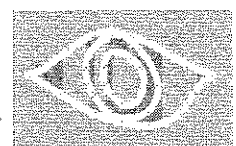
which organisations take decisions, and lead and control their functions, to achieve their objectives. The quality of corporate governance arrangements is a key determinant of the quality of services provided by organisations.⁹

59. Local government must be accountable; it is not enough to feel that confidence expressed through the ballot box is where the public's voice ends. Regular, structured, inclusive consultation must be a core activity of the Council. It is not a nice to do; it must not be postponed or relegated on the strategic priority list as soon as some other pressure comes along.

"So, our strategy for continuous improvement through giving power to people involves greater choice, greater voice and more personalised services"¹⁰

⁹ Corporate governance inspection Lincolnshire County Council Audit Commission 2004

¹⁰ Tony Blair speech on public services 26th Jan 04



Why Change is important

Change is inevitable; the only choice is whether to be in control of it or to let it control you.

60. Our current practice ensures that we are always responding to change. We are still to see a financial strategy aligned with the corporate plan, this in itself has only recently moved to a 3 year planning cycle. We have yet to carry out the shifting resources review; which was first talked about in 2000.

Government agenda

"For it is only by truly transferring power to the public through choice, through personalising services, through enhanced accountability, that we can create the drivers for continuous improvement in all our services."¹¹

We need to change in order to stand still amongst our competitors

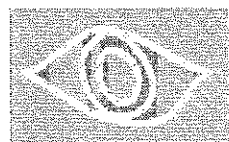
61. The Governments agenda for Public Service Investment and Reform has challenged local authorities to achieve sustained improvements in delivery. Performance is improving across the country, as we improve, so our contemporaries improve.
62. The challenge therefore is not to merely improve our services; we must improve at a rate that is better than our contemporaries.
63. We are now seeing a number of our targets falling short of our goal of upper quartile performance. In fact it is starting to look like we will not even meet some of our own targets.¹²

Resident expectation

".....a gap has opened up between what commercial services can deliver and what we can expect from public services.for increasing numbers of us today, despite the effort and commitment of public service workers, the widening gulf between what we can buy as customers and what we

¹¹ Tony Blair speech on public services 26th Jan 04

¹² SDDC BV plan 2005



get as public service users has created a credibility gap. As a result, many have become alienated from the political process and disaffected with public services in general."¹³

64. This quote represents a national picture but we know it to be true in South Derbyshire. Some may have been attributing this change in expectation to the growth in the districts population and influx of residents from South and North of the District. What ever the local pressure for change is, it is clear that change is required. Resident pressure for greater quality, convenience and value for money is growing.

"There is an opportunity now to change what and how we do things but it must be driven by members."¹⁴

CPA Report (May 2004)

What did the inspector see?

65. The Committee looked to the CPA report May 2004. It is clear that the CPA Inspectors consider our strategic planning to be in need of improvement; indeed one could argue that it is here, in this part of the assessment that the Council missed out on gaining a higher overall mark and a jump from Fair to Good status.
- o There is a lack of clarity about Member and Officer roles relating to policy and strategy development
 - o Members are not engaged in performance management
 - o Not all Councillors are engaged in a leadership role
 - o Councillors are not overtly and systematically driving policy

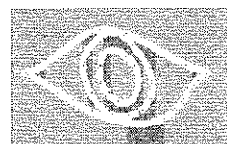
The assessors looked at three areas¹⁵:

- o **Ambition**
Weaknesses outweigh strengths
 - o **Prioritisation**
There is limited shifting resources
 - o **Focus**
Weaknesses outweigh strengths, inadequate use of regular performance management information
66. It was their considered opinion that we had only demonstrated sufficient evidence to warrant a score of 50%.

¹³ Change Here! Managing Change to Improve Local Services. Audit Commission

¹⁴ Quote from interview

¹⁵ SDDC CPA report 2004 (What is the council trying to achieve. P. 10)



Our response

The CPA mirror -What did we see?

Improvements to processes, changes to structures?

67. The list below details those initiatives that have followed the CPA Inspectors report. With the exception of one all are focussed on process issues.

- | | |
|---|-----------------|
| ○ New management structure | |
| ○ Linked finance planning to corporate plan | Progressing |
| ○ Scoring system | Not yet started |
| ○ Committee work plans | |
| ○ Changes to Corporate Plan | Progressing |
| ○ Shifting resources project | Not yet started |
| ○ Shortened time for response to scrutiny | |
| ○ Best Value | |

68. The Committee feel that whilst processes are important, they will not in themselves deliver a solution.

69. The Committee contend that unless energy is expended in engaging Members and stakeholders more effectively in all the corporate planning processes any progress will be slow and incidental rather than planned and significant.

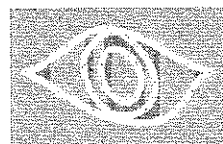
70. This point can not be underplayed. It is vital that the corporate plan is "owned" by our stakeholders, not least elected members. This requires not only the agreement of the contents but a material involvement in its creation.

71. To further illustrate this point the Committee have produced a matrix of selected issues raised by the CPA Inspectors with an indication of where the ownership for that issue lays.

72. Referring to the matrix, it appears that the majority of issues fall into 3 categories:

- Leadership
- Strategic Thinking
- Strategic Planning

73. The leadership mentioned here is a joint function between senior management and elected members. It is essential that



a clear vision and direction is created and it is now evident that significant steps are being made in this area.

74. The type of strategic thinking and planning necessary to answer those points in the matrix has increased. Management and members are now working together in an effort to provide the leadership and inspiration required to move the Authority forward.

CPA Observations	Structure	Process	Leadership	Service delivery	Measure	Strategic Planning	Strategic Thinking
	Enable people	Visible Must encourage corporate governance	Values Culture Expectation Standards	Accountability VFM responsive	Relevant	Focussed on BIG issues	Vision Direction Priorities
No over-arching vision			⊗				⊗
Poor links in plans	⊗					⊗	⊗
Performance management	⊗		⊗	⊗	⊗	⊗	⊗
Diverse BVPI performance	⊗		⊗			⊗	⊗
Slow pace of change	⊗	⊗	⊗			⊗	⊗
Resource allocation to priorities weak		⊗	⊗			⊗	⊗
More assertive political leadership required	⊗	⊗	⊗		⊗	⊗	⊗
Members not engaged in performance management		⊗				⊗	⊗
Not all Councillors engaged in leadership role			⊗			⊗	⊗

75. By accepting the Inspectors report, we must ask questions such as;

- Why are all Members not engaged in a leadership role?
- Why are all Members not systematically and overtly driving policy?

76. The matrix itself encourages a useful debate:

- Where should the marker be put?
- Who "owns" the problem and where would a solution lie?
- Who coordinates, on a strategic level the plethora of plans the Council works with?

In order to find solutions to these issues we must be asking fundamental questions of ourselves.

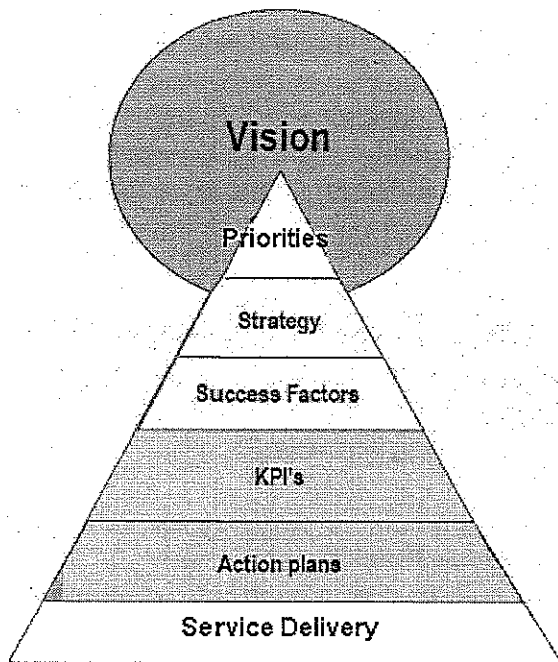
Such as: "what type of organisation do we want to be?"

- Do we value innovation?
- Do we encourage our employees to think about improving service delivery?
- Do we set a challenging tone for managers?
- Are we a 'can do' organisation that recognises success and rewards it?
- Do we enable our workforce to deliver and ensure there is clear accountability for performance?

The Proposal

Creating a Vision

77. The process to create a long-term vision requires extensive, meaningful consultation. It is clear that we can not please all of the people all of the time but if the process is resourced properly, the majority of stakeholders will buy in to it.



What is a Vision?

How far into the future should we plan to realise the benefits of having a Vision?

When does it cease to be a wish list and gain the credibility required in order to mobilise people to work towards it?

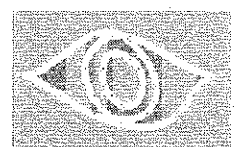
Why bother when finances are uncertain and the political climate can change locally as well as nationally?

78. As illustrated above the vision is the beginning of service delivery; the agreeing of priorities and creation of action plans to meet those priorities flow from the direction and challenges that a vision should give.

"There must be a clear line of sight from the corporate objectives to the jobs that people do, so that teams and individuals understand what they personally have to do in order for the organisation to achieve its' aims"¹⁶

79. When we can't afford to achieve a priority in one year we should plan to do it over a longer period. It is in planning that

¹⁶ Performance Breakthroughs Audit Commission

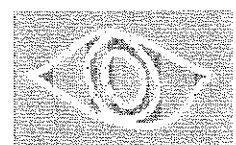


important desirable things become achievable deliverable things.

- Development of Tourism
- Leisure facilities
- Bus stations
- Libraries
- Village Halls

These examples all require a long-term finance plan, if they are not in our corporate plans then who, when will they be addressed?

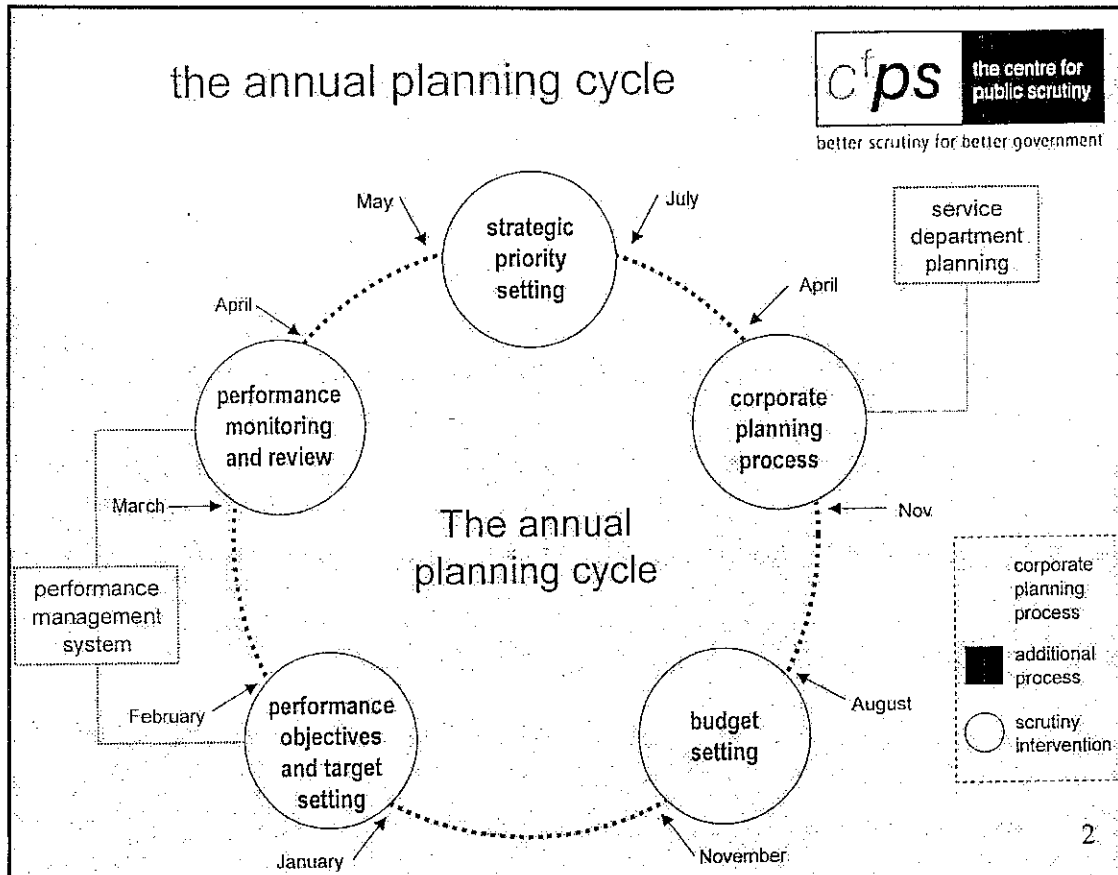
80. The Committee is aware that some of these items are the primary business of Derbyshire County Council but it is our primary business to represent the public and provide a leadership role. We rely on our partners in many areas to deliver services. If the residents of South Derbyshire identify a priority, then we should plan for its delivery, even if we are reliant on our partners to achieve it.
81. Delivery of the Community Strategy is one such instance where we may find ourselves making conscious decisions to allocate resources in pursuance of aims where we do not have control or the direct duty to see delivery.
82. Working in a partnership environment is nothing new, our commitment to this key method of delivery must be represented in our corporate plan. We must make decisions as to what we do and what resources we direct to these issues.
83. The committee recommend that an exercise in visioning and priority setting is carried out in order to identify a long term vision that clearly represents the aspirations of the residents of South Derbyshire.
84. This long-term aspiration will guide and inform consecutive 3 yr corporate and financial plans (App 2). The stability created by this process will allow for planned improvement whilst ensuring that resident and political priorities give direction and drive performance.



The Proposed Annual Process

(App 3)

85. The Committee have developed the CfPS model with elements of current practice in the Authority.

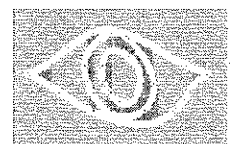


86. Pivotal to the process is the close involvement of members in the creation of our 3 yr Corporate Plan.

87. It is an inclusive planning cycle with regular structured consultation. It encourages the empowerment of politicians and stakeholders with the requirement of their involvement in the key stages of creating aims, priorities and setting targets.

88. Our Corporate Governance will be improved with increased opportunity for stakeholders to be involved. This will increase the transparency of our decision making and provide for greater accountability of the decision makers.

89. The proposal links finance planning to the corporate planning process and will provide a clearer link to our corporate planning with our Medium Term Financial Plan.



- 90. It provides stability for managers and staff through a 12 month planning cycle that allows for short term adjustments, in the context of a long term vision and 3 yr corporate planning cycle.
- 91. The proposed process offers continuous performance management that connects service delivery with the strategic planning process. This bonds the work of Policy Committees to the corporate planning process.
- 92. Our performance management practices will be improved by this closer involvement of members.

Know your priorities (CfPS Model)

- 93. Part of the process in creating a vision will lead *all* to knowing and agreeing what our priorities are. Only by knowing what business we are in can we start to create a planned strategy for delivery.
- 94. This means that we must understand those issues that are not priorities at any moment in time. This is important as we must be able to justify our decisions in allocating resources and provide cogent arguments as to why we are disinvesting in chosen projects and services.
- 95. By placing strategic priorities and corporate planning before budget setting this process will ensure that important issues enter the process even if they fall out at the budgeting stage. There is always the opportunity for this type of issue to remain alive even if the finances are not in place.

"We did not have the resources for the bus station but we ensured it was in our corporate plan, that way we knew that it would appear in an action plan and that officers would look for and pursue opportunities for its delivery"¹⁷

- 96. It is important for efficiency and effectiveness that we target our resources on a select number of priorities. As with our vision, our priorities must echo the needs of our residents. It is therefore important that we resist the temptation to focus solely on those things we know we can deliver ourselves.
- 97. Our responsibilities to our partners and the wider community agenda must ensure that we make conscious decisions as to how we facilitate these issues.

¹⁷ Leader of Chesterfield Borough Council 2005



Changing what we are doing

Mobilising people

"We are bumping along the middle of the road - it's relatively safe, why would we want to change?"¹⁸

98. The challenge expressed by this statement is a serious one. Our current performance is not excellent but it is still further from being poor. Our position is relatively safe and so without any substantial threat of failure, conscious and significant effort is required to increase the rate of change.
99. It is not that long ago that we worked our way out of an impending financial crisis. It is of little surprise therefore that we should have a process that is finance led and cautious in its approach.
100. It is not being suggested that by encouraging debate on priorities before finance that our prudent financial management should be compromised. It is a case of creating greater opportunity for open political debate on issues that are important to the residents of South Derbyshire.
101. That said, this will require careful management to prevent raising expectations that can not be met. However the increased understanding that will come from greater debate and discussion will improve our performance management.
102. If change is to occur then we must ensure that it is planned, aligned with a bigger, visible, and relatively stable Vision. Stability comes from having a long term element, visibility comes from including all stakeholders in its development.
103. It is not in the writing of a plan but the journey that stakeholders must take in order to agree the writing of a plan that matters. The understanding, the knowledge that comes from having taken this journey will give the confidence to challenge decisions on a strategic level.
104. Risk management and performance management are easier when you understand the bigger picture and can see the datum from which you should be measuring.

¹⁸ Quote from interview

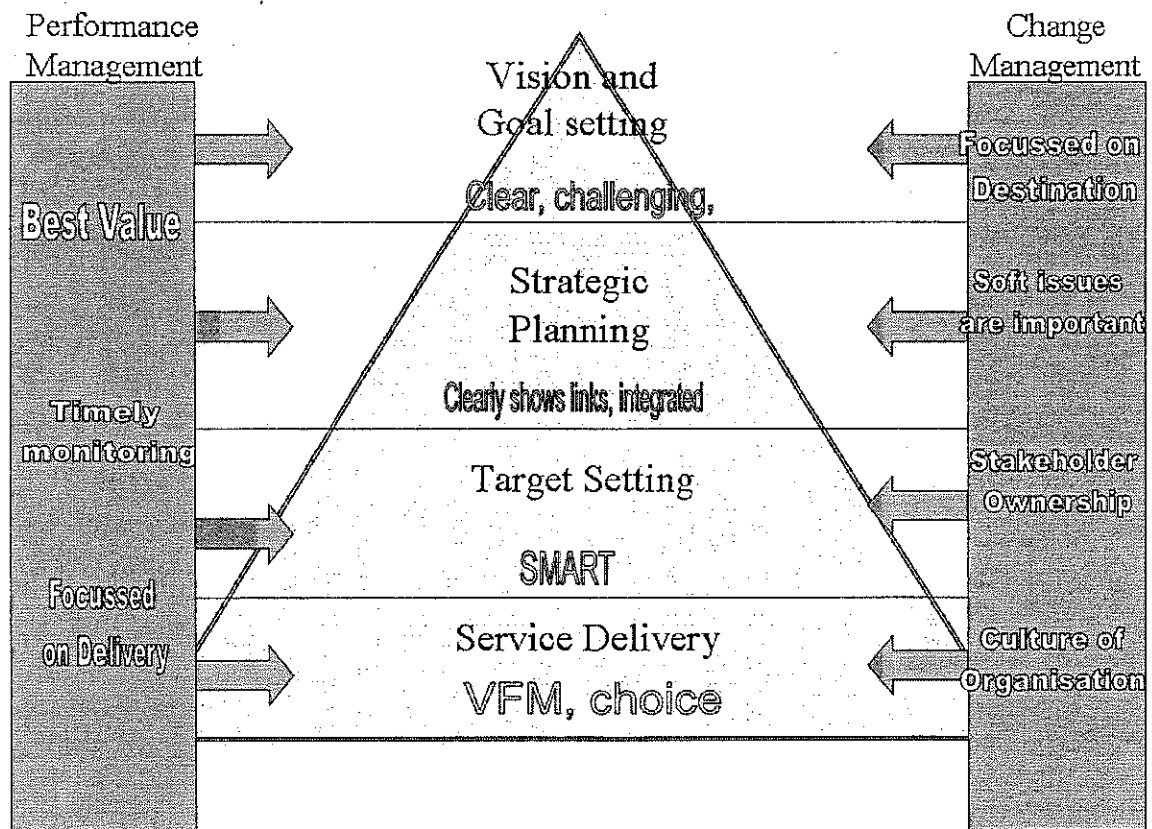


Keeping on Track Performance Management

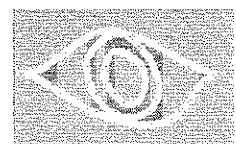
Creating your own pressure for change.

"The authority recognises that more effort is required to shift resources to priorities, to integrate service and financial planning and to manage risk"¹⁹

- 105. The Committee acknowledge that whilst a long-term vision and clear priorities are pivotal to giving direction and motivating staff. They are nothing but words on paper if they are not delivered.
- 106. Change Management and Performance Management go hand in hand and both are essential in any modern organisation. It is not a case that one can exist without the other. Challenging targets and shifts in service delivery will always ensure that organisations, teams and individuals must challenge themselves, their approach and practice to meet them.



¹⁹ Case study of SDDC from Improvement through better financial management. Audit Commission 2001



107. Performance management is as much about the individual as it is about process and structure. For the individual and team, understanding the organisations aims is as essential as knowing the targets and milestones you must meet in order to realise them.
108. Individuals must take responsibility but equally they must be given the opportunity to use their expertise to improve delivery themselves.
109. It is the responsibility of senior management and the political leadership to set the tone and expectation required for successful delivery. Engagement, effective communication as well as robust monitoring and enforcement processes are essential.
110. Our new Best Value Performance Plan expresses an intention to address these issues. The Committee are concerned that unless there is significant change in our current approach in Performance Management that any change will ever be realised.

Managing Performance

The main elements of our performance management framework comprise the Corporate Plan, Service Plans, the Employee Review and Development Scheme and the BVPP. This framework has been in place for several years, but now needs to be 're-energised' and developed to incorporate the need for:

- greater involvement by members in scrutinising performance
- earlier management interventions to bring performance 'back on track'
- timetabled reporting requirements
- more consistency in reporting requirements
- the inclusion of feedback from customers and external stakeholders
- explicit linkages to the delivery of the Community Strategy and the Derbyshire Local Area Agreement
- greater use of IT to analyse and share performance information

SDDC BV Strategy 2005



Building a culture of continuous improvement

Gateshead was widely commended for achieving an excellent CPA score without drama or crisis. They manage their finances effectively and have used this stability as a platform for broader improvement.

They keep on track by:

- discussing their culture, values and vision in an open and inclusive way;
- having a single improvement plan that incorporates resources and risks;
- keeping communications about resources simple and clear;
- raising funds energetically to provide for investment in the Councils vision;
- having a development pool for investment (with payback);
- continuing to take mid-year overspends very seriously; and
- seeking to ensure that resources are always available to address key local issues.

Source: Audit Commission

111. Performance management is about knowing what you want, having a will to deliver it and having the means to know what you are currently delivering in order to make the comparison. This means good quality timely information that is easy to access.

".....that Performance Management information is available to and understandable by different audiences and integrated into governance and management decisions."²⁰

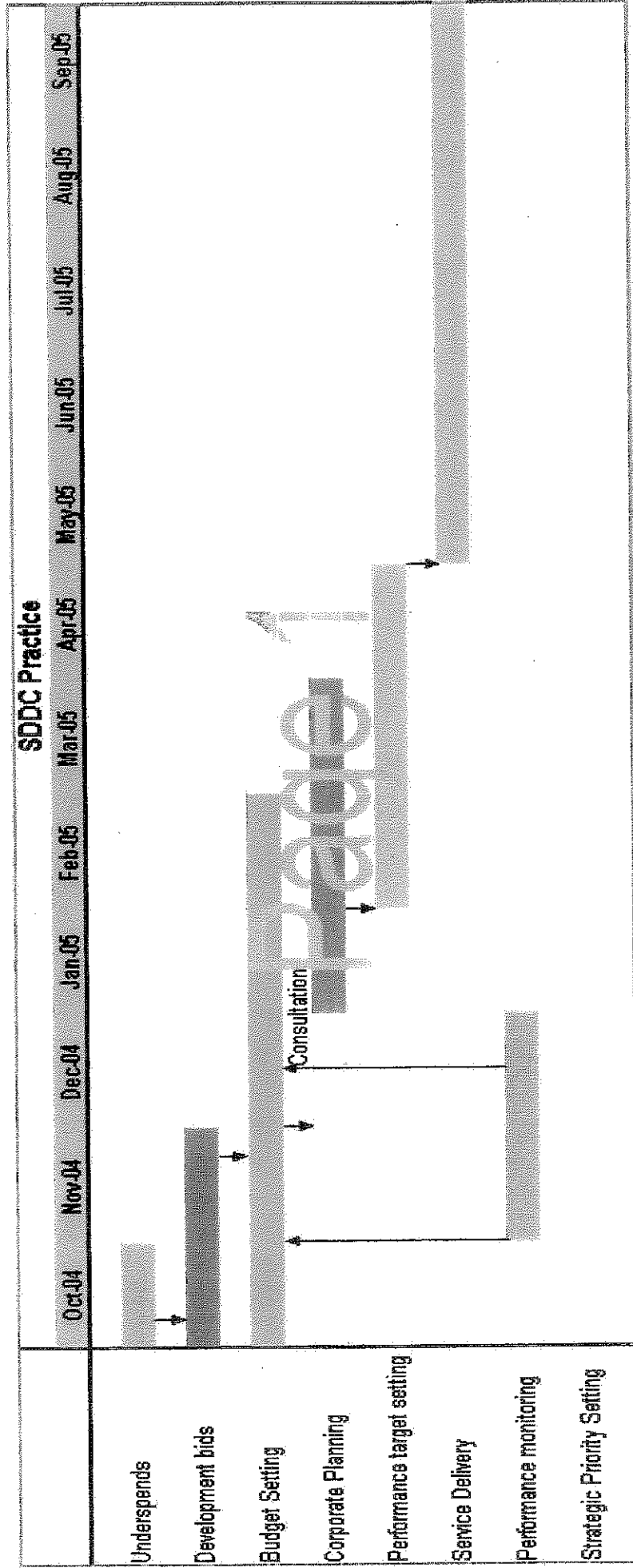
112. There are many management tools including software packages on the market that can give managers this type of ability. But it must be remembered that unless senior managers and members are willing to take difficult decisions and be strong and firm with failing performance then it is of little use.
113. The committee is pleased to see that steps are now being taken to address this issue and intend to review progress on this critical area in the near future.

²⁰ KLoE Corporate Governance. Sec 3.4 Audit Commission 2005

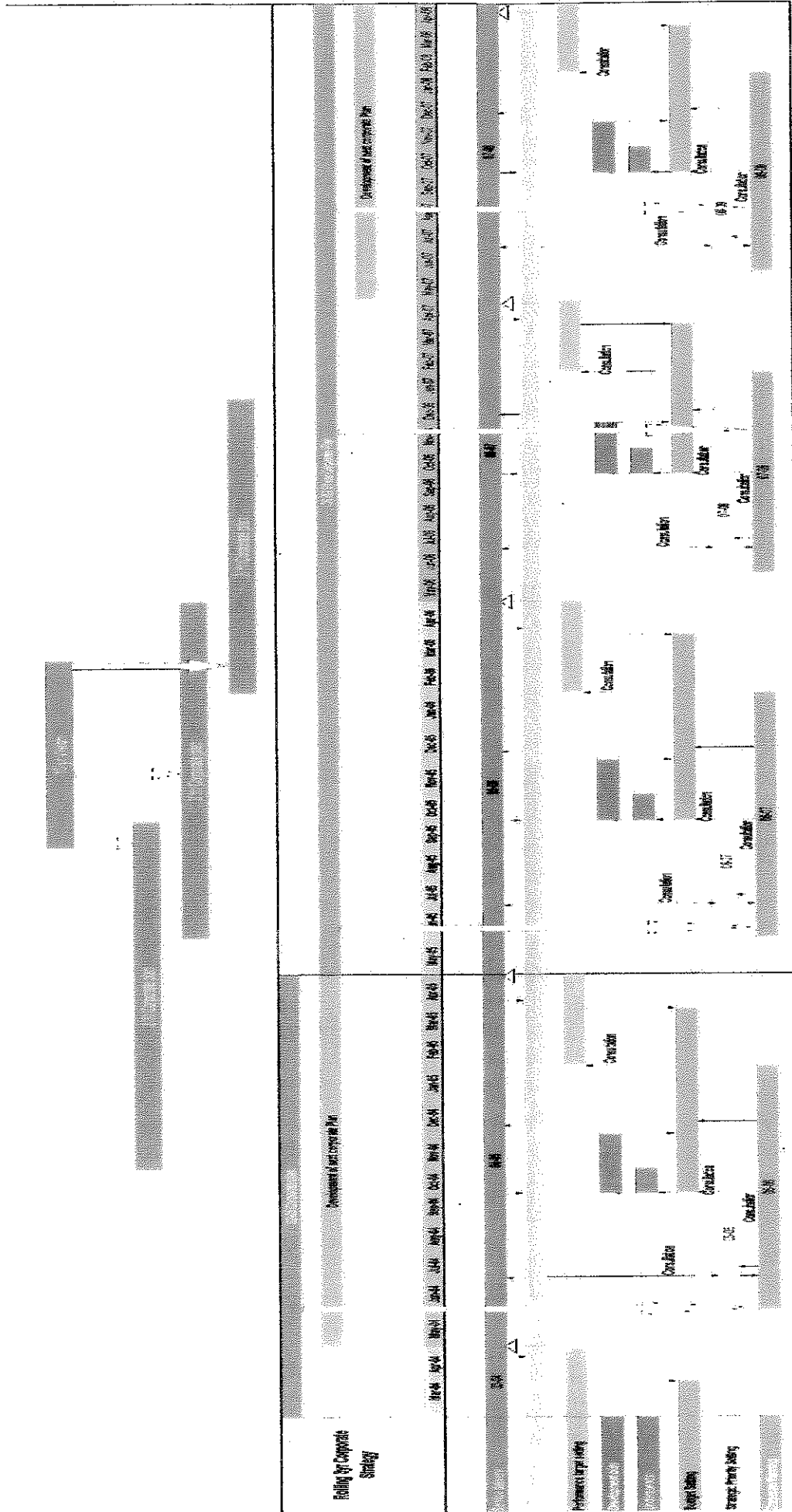


Appendix

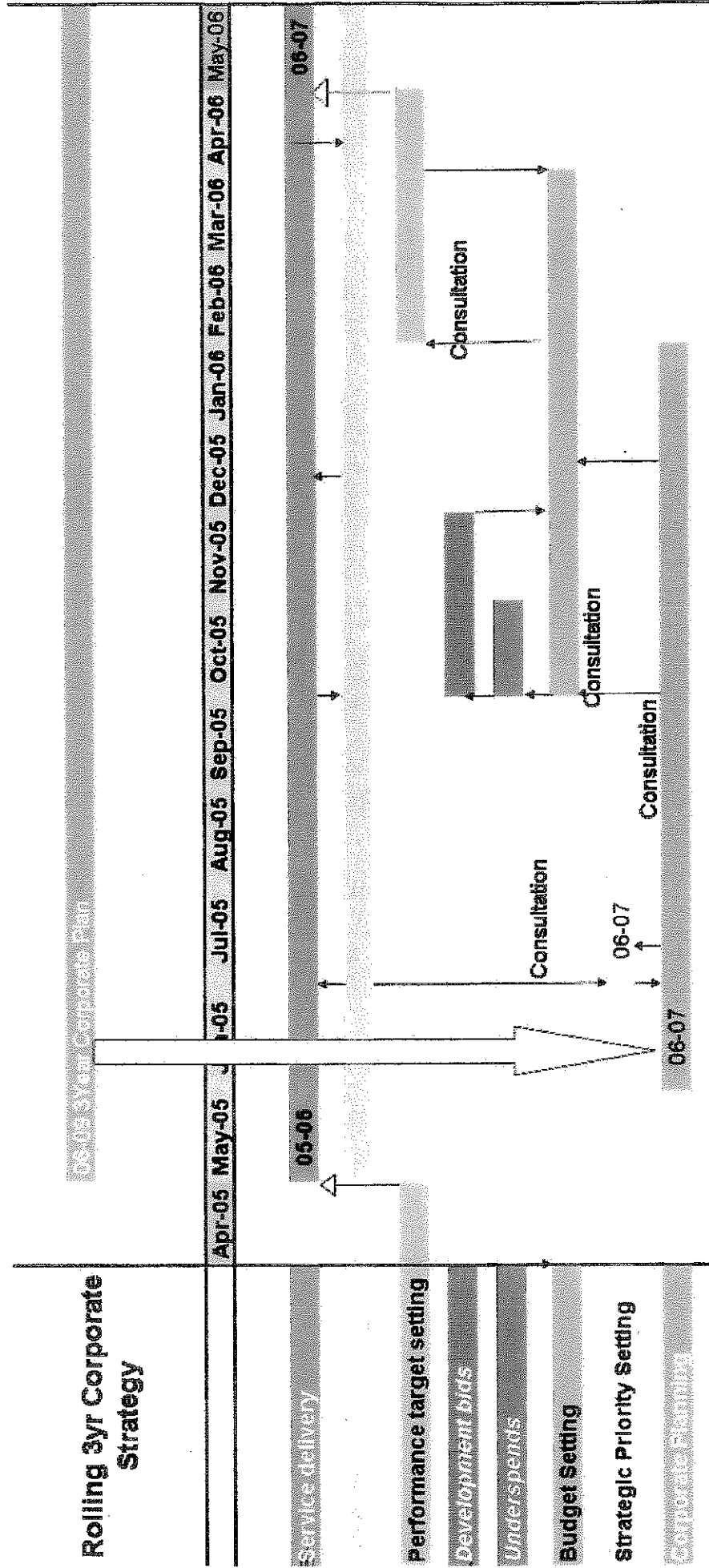
1) Current Corporate planning process



2) 10 year Vision guiding consecutive 3 year Corporate plans



3) Proposed Corporate planning Process



Acknowledgements

The Committee would like to thank all those who contributed to this review.

Improvement Panel Members

Frank McArdle	Chief Executive
Ian Reid	Deputy Chief Executive
Mark Alflat	Director of Community Services
Jayne Jones	Director of Corporate Services
Barrie Whyman Ch., MBE	Leader of the Council
Jane Carroll	Deputy Leader of the Council
Ken Harrington	Chair Community Scrutiny
Steve Taylor	Chair E&D
John Harrison	Deputy Leader Opposition

In particular the Committee would like to thank those individuals who very kindly gave their time to be interviewed (see below)

Frank McArdle	Chief Executive
Ian Reid	Deputy Chief Executive
Barrie Whyman Ch., MBE	Leader of the Council

A special thank you goes to

Councillor Ray Russell	Leader of Chesterfield Borough Council
Viv McDonald	Head of Policy Chesterfield Borough Council

As always a special thank you to Ian Reid and his team for their hard work and continuing support.



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