



## CABINET – 30TH OCTOBER 2013

**SUBJECT: CORPORATE PLANNING AND PERFORMANCE FRAMEWORK**

**REPORT BY: INTERIM CHIEF EXECUTIVE**

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### **1. PURPOSE OF REPORT**

- 1.1 To establish a revised annual cycle for Corporate Planning, Service Planning and to align key Strategic Plans to this process in the first instance. Ultimately, the planning process should incorporate the Medium Term Financial Plan (MTFP), Asset Management, Capital Programme and Workforce Planning.
- 1.2 To establish a 2014-17 Corporate Plan in addition to Annual Improvement Objectives.
- 1.3 To establish a consistent approach to service reviews across the Council and a framework for self evaluation that is robust and delivers appropriate reflection on performance and service improvement where appropriate.

### **2. SUMMARY**

- 2.1 The introduction of the Single Integrated Plan and a renewed focus on self regulation presents an opportunity to review and revise the planning cycle and to consider how the Council implements and demonstrates a robust system of self evaluation and challenge. It also gives a further opportunity to test whether the current system for establishing Council priorities, Improvement priorities and Service Improvement Plans is as effective as possible.
- 2.2 As a Council, we have a performance management framework that brings into line our work with the outcomes expected by citizens. It identifies the mechanisms by which we govern our performance. However, the framework could be improved by the introduction of formal service reviews. While the information on performance and finance is collected on a regular basis, it needs better coordination, analysis and interpretation to inform clearer reporting. Activity and resources to deliver should be better aligned as the framework does not currently feed in, where applicable, to the Medium Term Financial Planning process.
- 2.3 In addition, recent recommendations by the external auditors stated that the Council needs to establish arrangements for more effective performance measurement, monitoring and reporting and a framework to deliver appropriate self evaluation including service analysis and review.

### **3. LINKS TO STRATEGY**

- 3.1 The Council has a duty to make arrangements to improve its services as part of the statutory requirements of the Local Government Measure 2009.

- 3.2 A more timely and robust approach to corporate planning and measuring performance will be a key building block in delivering the Council strategy.

## **4. THE REPORT**

### **4.1 Current Arrangements**

- 4.1.1 Caerphilly sets out and drives its business through a series of Plans flowing from the Single Integrated Plan through to the Corporate priorities, Improvement priorities and on to Service Improvement Plans and Individual priorities.
- 4.1.2 The Corporate planning cycle has evolved over a number of years and it is timely to undertake a review to ensure it is in line with current requirements. The Improving Governance Programme and increasing focus on regulation on this area of activity therefore presents an opportunity to review and revise the process.
- 4.1.3 In particular, the planning cycle needs to be re-aligned to start earlier in the year, and needs to bring key elements together in a cohesive way so that the service delivery expectations and the resources to deliver them are clear. This presents an opportunity for the Council to revise the timetable for delivering the key strategic plans and all the supporting service plans to enable those to be published by March each year. In addition, there is a requirement to put in place a robust system of service reviews to facilitate self-evaluation.

### **4.2 Corporate Planning**

- 4.2.1 This report identifies the framework within which the Performance of the Council is to be managed. The current system needs to be re-established to ensure that appropriate practices and processes are put in place to provide a standard and consistent approach to corporate and performance management across the Council from 2014 onwards.

Robust and mature overall corporate planning and performance management arrangements are typically characterised by:

- A strong collaborative approach to strategic planning and visioning for the area leading to the establishment of owned outcome-focused strategic objectives in a Single Integrated Plan.
- A clear set of Council priorities linked to clear outcomes and delivery targets set out in a Corporate Plan. The Corporate Plan should cover the period 2014 –17 and should be reviewed each year to ensure that it remains relevant to meet citizen needs, and is deliverable in the context of the MTFP.
- Clear integration of corporate and operational planning with financial planning and management arrangements.
- A mechanism for regular evidence – based service reviews and strong risk management that allows for prompt strategic management input.
- A regular performance management approach with good timely effective strategic and operational information, supported by challenging annual service reviews and effective risk management and risk mitigation analysis.
- HR approaches that clearly link individual responsibilities, appraisal and training needs to the corporate objectives of the organisation.

4.2.2 These arrangements will draw from CCBC established and organisational values and culture and an improvement and customer-centric ethos. It should enable everyone who works for the Council to recognise their responsibility to improve performance at some level and that there is a clear understanding of how tasks and activities undertaken on a daily basis assist the organisation in realising its strategic outcomes.

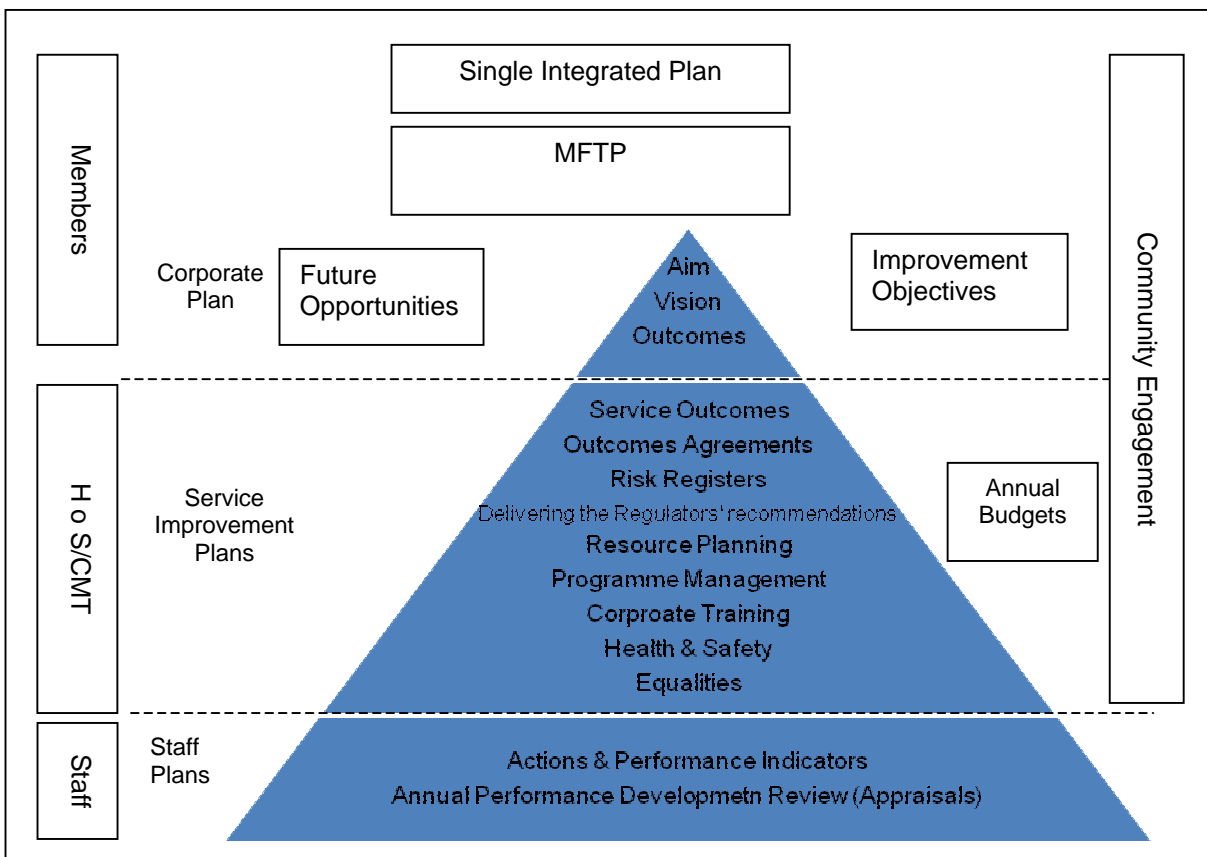
4.2.3 The purpose is to provide a consistent platform for the Authority to drive improvement, and help us manage and improve our performance in light of these established characteristics.

**4.3 Annual cycle**

4.3.1 Corporate planning, monitoring and evaluating performance and self evaluation should be seen as a continuous cycle which aligns with the financial reporting and budgetary cycle.

4.3.2 It is important that performance against targets is reported on at least a 6 monthly basis with an aim to produce briefs for Cabinet Members on a quarterly basis.

4.3.3 All Plans should be prepared prior to the start of the financial year and should align both with each other (the Golden thread) and with the resources needed to deliver both the operational activity and secure improvement objectives. The diagram below provides an overview of the Strategic Planning Hierarchy.



**Plans**

**4.4 Single Integrated Plan**

4.4.1 The Single Integrated Plan for 2013/14 is a new overarching plan and brings together a number of key strategic plans that the Council used to produce.

4.4.2 Whilst this plan replaces a number of existing plans that the Council were previously required to produce, such as the Health, Social Care and Well-Being Strategy, Children and Young People's Plan, and the Community Safety Plan, it is intended to accelerate change, strengthen partnership working, multi-agency collaboration, and be accountable for its delivery. The focus is on prevention and early intervention with those who face a range of disadvantages and these are five identified themes:

- Prosperous Caerphilly
- Safer Caerphilly
- Learning Caerphilly
- Healthier Caerphilly
- Greener Caerphilly

4.4.3 This Plan will have a separate delivery mechanism and performance management framework linked to it, and accountability will be to the Local Service Board (LSB). It is important that this is clearly linked to the Council's Corporate Planning process.

#### **4.5 Corporate Plan**

4.5.1 The Corporate Plan 2014–17 will identify the strategic and improvement priorities for the Authority above and beyond day to day service delivery and will align with the Single Integrated plan. The current Council priorities are:

- Our communities must be safe, green and clean places to live to improve resident's quality of life.
- We want to improve job opportunities in our County Borough, so people can live better lives.
- Our goal is that every child should have the best start in life, and the opportunity to achieve success as a young person and as an adult.
- We want to enable our communities to make healthy lifestyle choices to improve citizens' quality of life.
- Transforming council homes, lives & communities.

4.5.2 Further work is needed to develop a Corporate Plan that covers the business of the Council, identifies the Improvements for the year and the resources needed to deliver. It is important that work starts now in order to establish a draft Corporate Plan early in 2014.

The Corporate Plan will be used to inform the:

- Corporate Risk Register
- Forward Work Programmes (Committee's)
- Members' and Officers' Priorities
- Assessments undertaken by external regulators

## 4.6 Improvement Objectives

4.6.1 Each year, the Council is required under the Local Government Measure 2009 to identify, consult on and publish Improvement Objectives that are expected to make a contribution to the delivery of some or all of the priorities in the Corporate Plan. These have been approved by Cabinet and Council in July 2013. The process for identifying, consulting on and establishing Improvement objectives needs to be brought forward in line with the Budget timetable and approved at the same time. This will ensure that there are proper linkages between the improvement plans and the means to deliver them. It is accepted that this will mean that reliance will not be able to be made on end of year performance out-turns to inform decision making but nevertheless in most cases sufficient performance data should be available to measure performance over a twelve month period (min) by spanning previous financial years.

## 4.7 Service Improvement Plans

4.7.1 Caerphilly has an established Service Improvement process to deliver Service Improvement Plans for each service, that reflect Corporate and Service Improvement priorities. The system has been in place for a number of years and there is now an opportunity to take a fresh look at how effective these plans are for managing the services, and to reflect on the WAO suggestions for improvement. These include:

- All relevant SIPS that focus on delivering the Council's Improvement Objectives, have clear links to them, and include actions that contribute to their delivery.
- Formal annual financial assessments of its Improvement Objectives are included within all relevant SIPs to ensure that resources are aligned clearly to priorities.
- Equality Impact Assessments are consistently and robustly undertaken for all SIPs when these are being developed.
- Workforce planning is embedded in service improvement planning and is reflected in all SIPs.

4.7.2 Whilst the SIP process is established, the framework for compiling the Corporate Plan, the Single Integrated Plan and the Improvement Objectives are not well synchronised, and in 2013/14 a number of these were agreed well into the year to which they related. It is also the case, that not all services are using their Service Improvement Plans to manage the business, and the links to the PDRs and Risk Management are inconsistently applied among the Service areas. Any new framework will need to include a revised timetable to synchronise with the Medium Term Financial Plan (MTFP) and start of the financial year.

4.7.3 Progress made on the Service Improvement Plans will be monitored as part of a quarterly Performance Review process.

Service Improvement Plans will be used to inform the:

- Staff about their team / individual outcomes actions and targets for the year
- Corporate Plan
- Annual Corporate Performance Report / AIR
- Corporate Risk Register
- Assessments and recommendations undertaken by our external regulators – the Wales Audit Office, PWC, Estyn and CSSIW (Care and Social Services Inspectorate Wales)

## **4.8 Performance Measurement and Monitoring**

- 4.8.1 As a Council we adopt a performance management framework that aligns our work with the needs and outcomes expected of us by our citizens, communities and regulators. It identifies the mechanisms by which we govern our performance and instils a performance centred mindset which is expected of staff by the Local Government Measure 2009. We now need to increase the frequency of Member scrutiny of performance and performance related information.
- 4.8.2 A reporting structure where performance against outcomes and improvement objectives are reported on at least a 6 monthly basis should be implemented. This information should be integrated with risk mitigation measures to enable the decision-makers (Cabinet/CMT) to manage effectively.

## **4.9 Self Evaluation**

- 4.9.1 A key part of the overall picture of performance measurement is self-evaluation. As part of the Improving Governance Programme, self evaluation and improved performance measurement were identified as areas where there was an opportunity to review the current arrangements and introduce a more robust process. This has also been raised as a key issue in the 2012 Annual Improvement Report (AIR) received from the Wales Audit Office.
- 4.9.2 Self evaluation is increasingly being seen as good practice in all organisations – the best run organisations are generally those that are self-critical and act quickly on poor performance. The regulators, as part of their regular activity, are also measuring how well organisations self-evaluate and are proposing to undertake their work in proportion to an assessment of how robust this is. If an organisation is deemed to have good strong robust processes in place and reflect performance and achievement in an honest and balanced manner, then they are likely to have a 'light touch' regulatory plan. Conversely, those who don't will have heavy regulatory activity. The motto is, 'Do it properly yourself and demonstrate it'.
- 4.9.3 One of the best ways to actively pursue strong, honest self evaluation is through service reviews. These can be done in a number of different ways, from a very full 'deep dive' analysis, through to a light touch template approach. Implementation of self-evaluation undoubtedly takes time and resources, but we already have a methodology and scorecard for services that can be utilised to produce a more robust snapshot of each service.
- 4.9.4 Some of the key factors in terms of timing are the update of the MTFP setting of the annual budget and agreeing the Corporate Plan. Following consideration by CMT, a small number of service reviews will be developed to pilot the process in 2013. The results of these will be assessed and reviewed by CMT and may be used to inform the MTFP, Corporate and Improvement priorities. The result of this review will be used to inform how all service reviews will be undertaken during 2014.

## **5. EQUALITIES IMPLICATIONS**

- 5.1 The Local Government Measure 2009 incorporates 7 definitions of improvement, two of which are service availability and fairness, which links the Measure to both Equalities and Welsh Language duties in Wales.
- 5.2 Any Performance Improvement Work and Service Improvement Plans must therefore take Equalities and Welsh Language considerations into account. The Council complies with these requirements by evidencing this work in the annual reports provided each year to the Equalities and Human Rights Commission and the Welsh Language Commissioner's Office. These are based in part on the service area information provided in the current Service Improvement Plans. A separate self-evaluation report on the SIPs and their Equalities content is also produced each year.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 There is likely to be a staff resource input into the Pilot Service Reviews. Initially, it is anticipated that the first year will be in-house resource supplemented by assistance from the WLGA. The WLGA support will be provided at no cost to the Council.

## **7. PERSONNEL IMPLICATIONS**

- 7.1 It has been acknowledged that a capacity issue exists in October, November and December 2013 as a consequence of the Corporate Governance Inspection, response to the AIR and an extremely challenging MTFP. Hence, work undertaken by Senior and Middle Managers has been prioritised. It is envisaged that delivery will not be such an issue in the Autumn 2014.

## **8. CONSULTATIONS**

- 8.1 All consultation responses are included in the report.

## **9. RECOMMENDATIONS**

- 9.1 To approve a revised annual cycle for Corporate Planning, Service Planning and Service Improvement to feed into Strategic Plans.
- 9.2 To agree to establish a 2014-17 Corporate Plan in addition to annual Improvement Objectives.
- 9.3 To agree a more formal performance reporting framework as described in this report.
- 9.4 To agree a consistent approach to service reviews across the Council and a framework for self-evaluation that is robust and delivers appropriate reflection on performance and service improvement where appropriate as described in this report.
- 9.5 Officers develop a new framework for the implementation of the new corporate planning cycle and will report back to Cabinet in due course.

## **10. REASONS FOR THE RECOMMENDATIONS**

- 10.1 To establish a revised cycle for Corporate Planning that is both aligned to the financial year and to the MTFP. To improve the Service Improvement Framework and to address key areas for improvement in the Service Improvement process identified by the WAO. To implement a service review process and a robust transparent methodology for self-evaluation.

## **11. STATUTORY POWER**

- 11.1 Local Government Measure 2009.

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Background Papers:  
Corporate Planning and Performance Working Papers