



CABINET – 5TH MARCH 2014

SUBJECT: CORPORATE PLANNING – SELF EVALUATION

REPORT BY: INTERIM CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 A report on Corporate Planning was agreed by Cabinet on 30th October 2013 which set out the framework and cycle for the Corporate Plan, Service Plans and the service self evaluation process.
- 1.2 Following that report, the Corporate Management Team agreed a series of workshops with Heads of Service to develop the Self Evaluation process, to find the most appropriate style for Caerphilly County Borough council. A self evaluation pilot was undertaken in December to test alternative methodologies for services.
- 1.3 This report sets out the results of that pilot, and makes recommendations for the process in 20014/15. The report does not suggest any changes to the Corporate Planning timetable already agreed for 20014/15.

2. SUMMARY

- 2.1 Self evaluation of services is a fundamental part of Corporate Planning and Service Improvement. At a point in time, usually around June/July, to inform the following year's Corporate Plans and Medium term Financial Strategy, a full service review/challenge is undertaken which summarises the outcomes from the on-going self evaluation. This summary needs to be robust and consistently applied across the whole Council so that the results can be confidently used for decision making for future plans.
- 2.2 Self-evaluation and service review/challenge is variable across the Council and a pilot was established to inform an appropriate methodology for the future. A framework for Service Improvement and Self evaluation along with key questions to drive the process are the recommended way forward in this report. A further pilot is being undertaken on the proposed methodology to refine the process in time for the 2014/15 cycle. The report summarises the results of Self evaluation/service review pilot exercise and subsequent recommendations for Cabinet for consideration and approval.

3. LINKS TO STRATEGY

- 3.1 Good governance and self evaluation is a pre-requisite of the activities of any Local Authority, along with the requirement to continually improve the Authority's services.

4. THE REPORT

4.1 In October 2013 Cabinet approved a new Corporate Planning cycle and timetable for 2014/15. The timetable included the hierarchy of plans, from the Single Integrated plan through to the Corporate Plan and Service/business plans, all linked to the Medium Term Financial Plan which needs to be approved by Members at the same time of year i.e. Feb/March. A Service Improvement Framework and a process of self evaluation/service reviews would form part of the overall process on an annual basis, and for 2013/14 it was agreed to pilot how that would look, in readiness for roll out in 2014/15.

Self Evaluation

4.2 There has been an increasing emphasis on self evaluation and co-regulation over the past few years, with all regulators raising the profile of this in their reporting. The WAO, CCSIW and Estyn, have all commented on self evaluation, in some cases more favourably than others, but overall giving a mixed picture across the Council. Both the Cabinet and CMT are keen to see a consistent approach to the process, that delivers two objectives:

- To drive the services in terms of analysing performance and securing improvements
- To be readily available to Senior Managers and Members in enabling better informed decisions

4.3 The financial position now, and in the future, with scarce resources makes it even more important to be able to take decisions based on the best available information.

4.4 Self evaluation is a continuous process, and is intrinsically linked to the Performance Management Framework. It must not be seen as a one-off process that happens once a year, but an integral way of operating throughout the year. Performance on a number of domains including resources, targets, staffing etc must be reported regularly to CMT, Cabinet, Scrutiny and, if appropriate, other fora. This would be expected to be reported quarterly at the very least. There may of course be some key indicators that are only collected on an annual basis, and it is accepted that an estimate would be included or in the case of, for example, a stakeholder summary, this would not be collected every quarter, so would be reported annually.

4.5 The outcome from good, robust self evaluation is high quality information to enable decision making and planning. Self evaluation also relies on a strong focused internal challenge mechanism at a point in time, sometimes known as a Service Review which is referred to later in the document at 4.16 – 4.18. The timing of the internal challenge is therefore critical, in order to inform decisions for Corporate Planning, Medium Term Financial Strategy and workforce plans and should be set in the late/Spring/early Summer. This would enable services to report on the previous year in totality to the service review/challenge meetings, and the output from those then summarised for the early Autumn discussions on choices and priorities. This would give Members not only the on-going performance information through the already established channels, but a corporate overview of all services which had also been subject to robust challenge.

4.6 It is also important for decision making, that there is a balanced view of a service with information available on all aspects of the service. This would include financial information, performance information, outcomes, views of users, benchmarks and alternative operating models. The Auditor General in his Authority assessments is increasingly looking for evidence of self evaluation corporately, and robust challenge built into the process.

Self Evaluation Pilot

4.7 Workshops were held in early November 2013, with all Heads of Service, to discuss the Corporate Planning cycle and to establish a process of self evaluation corporately, that fitted into the overall timetable. It was recognised that it would not be possible to deliver a full review in 2013/14, but that it would be useful to pilot both the process of self evaluation and

the mechanism for delivery in readiness for 2014/5.

- 4.8 Many of the Council's services need to meet the needs of more than one regulator, with different frameworks shaping what is required. In some cases, there may also be a risk of duplication. As such, it was important to take this into account in the pilot, to see whether what was already being produced, for instance, in Social Services for CCSIW, would satisfy the more corporate requirements of the WAO. A further question to be answered by the pilot was whether the output produced by the various services gave enough clarity and comparability for senior managers and members to take an overview of the Council.
- 4.9 A suggested corporate template was agreed by CMT for use by those services that wanted to use it. Other services compiled a self assessment based on the template that they already used.

Pilot Process Findings/Discussions

- 4.10 The pilot exercise showed that:
- There was real enthusiasm and commitment to support the pilot process and to attempt a revised approach to Self Evaluation using draft templates – and to share experience as part of a learning experience.
 - Some services are undertaking a very thorough robust self-evaluation and have a very clear Service Plan – the quality of some services' analysis was very good.
 - The draft template was helpful in analysing performance aspects etc but fundamentally not deemed focussed enough to stimulate more radical evaluation of real service needs, risks and challenges, and implications.
 - The Pilot process and the draft template was not a strong mechanism for:
 - identifying how inclusive a process had been at service level,
 - evaluating the resource implications for change/service need
 - considering other service models/options or using comparative information

This is consistent with the findings nationally around strengths and weaknesses in Councils' self-evaluation approach.

- 4.11 Having agreed, that the pilot process did not deliver either the hard-edged analysis or the balanced, rounded analysis needed to satisfy the requirements of a strong, robust process of self evaluation, alternative ways of delivering the required outcome were then considered, with the favoured approach set out below.
- 4.12 There was a strong consensus from all, that an over-detailed/over-prescriptive template was not necessary for this Council. Those who filled in the suggested Corporate template did not feel that it led them to answer the sort of key questions that a robust self-evaluation would expect to answer. Heads of Service from pilot areas strongly felt that there should not be a requirement to complete a detailed Self Evaluation template as this was focussing on process rather than outcomes. Following further deliberations, the suggestion was that the ideal way forward would be to focus Self Evaluation output on answering a small number of core questions about the service that can be consolidated into an overall report that would be meaningful to CMT/Members and fundamentally support decision making at appropriate levels.
- 4.13 This would also enable evaluation within a corporate context for those services such as Education and Social Services already more familiar with Self Evaluation. An example of the type of key questions that can be used are set out in within the Service Improvement Framework (Appendix 1) as Appendix A.
- 4.14 The Service Improvement Framework that CMT considered previously (Appendix 1), set out Self Evaluation disciplines at service level underpinned by a set of *core characteristics* that every service should be able to demonstrate they have applied in undertaking their Self Evaluation. These core characteristics have strong national support and will be increasingly

used in the future by the Wales Audit Office, in particular, in helping to assess Self Evaluation arrangements locally.

- 4.15 These core characteristics cover the whole Self Evaluation “architecture” for the Council, not just how the evaluation should be undertaken. The ‘core characteristics’ are set out in Appendix 2.

Internal Challenge

- 4.16 If the Cabinet are minded to adopt a more outcome based/freeform approach to self evaluation, then the effectiveness of internal challenge becomes paramount. This would be the primary mechanism for testing the application of those core characteristics and the strength of the evidence base to support the Self Evaluation conclusions.
- 4.17 There are a number of options that could be considered in setting up an effective framework for challenge:
- Corporate challenge – including finance, performance and HR
 - Peer director challenge
 - Challenge from similar service in another Council
 - Member challenge

These are not mutually exclusive and a combination of these, for example, a Peer Director as Chair, supported by corporate staff providing the analysis could be one combination. Further work will be undertaken on the different options.

- 4.18 The Council could also consider establishing an overall Self Evaluation rating as part of the process to help inform discussion/challenge approaches. This would need further discussion.

Framework for the future – an option

- 4.19 The overall plan would be to adapt the pilot approach and learning, and roll out the Internal challenge/Service review for all services in June/July 2014. This would allow completion, internal challenge and consolidation of all Self Evaluation outputs/opportunities risks, resource implications of change etc in time to support corporate and financial planning and decision - making timeframes for the Medium Term Financial Plan, and delivery of Service Plans for 2015/16.
- 4.20 The model would be a less prescriptive, less templated approach than some Councils have adopted, but one appropriate for circumstances in Caerphilly.
- 4.21 The Self Evaluation approach would follow the Service Improvement Framework (SIF) and the model already agreed and essentially would require annual Self Evaluations designed to evidence and answer a small number of key questions that would support ongoing strategic decision making – with core characteristics for all Self Evaluations as background guidance. Supplementary guidance on more detailed Self Evaluation aspects and approaches would be part of the overall documentation (incorporated into existing but revised guidance on Service Plan preparation).
- 4.22 CMT/ Members would then, for the first time, in the future receive a consolidated report that draws out from all of the Self Evaluations, all the key issues concerning service need/improvement opportunity/contraction, risk implications and resource implications in time to allow proper timely debate and prioritisation as necessary, to support the following year’s strategic planning.

5. EQUALITIES IMPLICATIONS

- 5.1 Corporate governance is directly linked to the Council's Strategic Equality Objectives (in particular SEO 7 - Corporate Compliance), which stem from duties under the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 and the Welsh Language (Wales) Measure 2011.
- 5.2 Each year the Senior Policy Officer (Equalities and Welsh Language) undertakes an evaluation of the Equalities sections of Service Improvement Plans, as part of gathering evidence towards the statutory reporting requirements. The self-evaluation report on the 2013-2014 SIPS is available on the Council website's Equalities pages and on the Equalities and Welsh Language intranet portal.

6. FINANCIAL IMPLICATIONS

- 6.1 In relation to the Service Reviews 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 There are no personnel implications associated with this report.

8. CONSULTATIONS

- 8.1 There are no consultation responses that have not been reflected in this report.

9. RECOMMENDATIONS

- 9.1 Cabinet note the outcome from the pilot exercise and agree:
- the Service Improvement Framework
 - the use of the key questions to drive self-evaluation
 - the 'core characteristics'
- 9.2 Cabinet agree the timetable for Self-evaluation of services for 2014/15 to drive the MTFP and Service plans/Improvements.
- 9.3 Cabinet establish an appropriate process of Internal challenge to support self evaluation for 2014/15.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To implement a robust process of service self-evaluation/service review for 2014/15.
- 10.2 To ensure that the process informs the 2015/16 Corporate Plan, MTFP and decision making.

11. STATUTORY POWER

- 11.1 Local Government Act 1972 and 2000.

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Background Papers:
Cabinet report Corporate Planning

Appendices:
Appendix 1 Service Improvement Framework
Appendix 2 Core characteristics