audit
commission

Deciding and Delivering Council Priorities

City of York Council

Audit 2007/08

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- any third party.

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Summary report

Introduction

1 Community leadership is key to the CPA 2005 approach. The Achievement theme is assessed by examining how well councils are delivering local priorities and outcomes across five sub-themes. These are based on the 'shared priorities' which were agreed by the then Office of the Deputy Prime Minister's central and local government partnership. The five sub-themes are:

- Sustainable communities and transport;
- Safer and stronger communities;
- Healthier communities;
- Older people; and
- Children and young people.

2 The community strategy is the natural vehicle for tackling these agendas in their local contexts and in the light of local priorities. The community leadership role of the council is vital to promote effective delivery against these local priorities.

3 The way that local priorities are determined and how they are balanced with other sometimes competing priorities is crucial to successful delivery. The Audit Commission research on performance breakthrough revealed three actions that successful public sector organisations do:

- focus on what the organisation is about, prioritise and do something. This means considering competing priorities and making difficult judgments about which should come first;
- get the right people involved in deciding what matters; and
- put resources behind what matters.

Background

4 The City of York Council has transformed some important aspects of the way it carries out its community leadership responsibilities. These included a revision of the council plan priorities to make it more closely aligned to the objectives of the community plan. These changes were made within the context of increased cost pressures - which made the need for prioritisation more acute.

5 In July 2006, we reviewed the Council's corporate planning and prioritisation arrangements (Phase 1) to establish how the Council had previously allocated resources and managed performance. We also tested how the new performance and financial planning arrangements had been applied in practice, to identify areas of good practice and to identify any areas that required improvement. Two probe areas were used: the previous priority of "York – the safer city"; and the new improvement statement "Health and Lifestyle".

6 The review found that the Council was at an early stage in implementing its new priorities - which were formally agreed by the Council in June 2006. It had significant work to do to ensure that these priorities were embedded within its service and financial planning systems in time for the budget allocation process, which began in autumn 2006.

7 Recommendations resulting from this review were to:

- strengthen the service planning framework and guidance to include the new priorities, better target-setting and increased user focus;

- integrate the improvement statements into the performance management framework;

- clarify the way in which resources will be allocated to priorities and reflect this in all relevant plans and strategies;

- introduce arrangements which promote systematic exchange of information about previous successes and failures in improving outcomes; and

- make the reasons for focusing on the new priorities more explicit in Council communications and develop an internal communications strategy, which should be implemented as soon as possible.

Updated background

8 Since the July 2006 review, there have been a number of changes to the Council's corporate strategy framework and the Council is currently in the process of refreshing this.

9 It has introduced a set of direction statements which underpin the vision. These are intended to drive the Council's current activity and address future challenges such as those emerging from the Strong and Prosperous Communities Government White Paper. This will provide a more detailed long-term vision of what the Council wants to look like and will contain milestones that the Council can measure its direction of travel against.

10 It has revised the 13 improvement statements (now called priorities) by:

- creating a set of four values from the previous internally focused internal improvement statements, these will be monitored and managed by an organisational effectiveness programme board;

- updating the Science City priority to take account of recent economic developments and focus on narrowing income gaps; and

- adding a new priority relating to climate change.

Each of these will continue to be championed by a senior officer in the Council.

11 The Council has identified seven corporate 'imperatives' where work is required straight away and will be progressed through individual project boards. These relate to six existing major corporate projects such as the implementation of job evaluation and the schools modernisation strategy. Work on the seventh 'imperative' has not yet begun and relates to shaping the Council's services to address the city's changing demographic profile.

Audit approach

12 This follow-up review focused on the recommendations from phase 1 and assessed the Council's progress against them. Two probe areas were used to test progress. These were taken from the 13 priorities and cover both external service delivery and internal arrangements and are:

- improve the actual and perceived condition and appearance of the city's streets, housing estates and publicly accessible spaces; and

- delivering what our customers want.

Main conclusions

13 The Council has made progress against some of the recommendations from the July 2006 review, but progress in some areas has been slow. Until the Council has addressed the issues raised previously and those raised within this follow-up review, and embedded its new corporate planning and prioritisation arrangements throughout the organisation, it will not be able to optimise its effectiveness or its achievements.

14 The following section identifies progress against each of the recommendations.

Strengthen the service planning framework and guidance to include the new priorities, better target-setting and increased user focus

Integrate the improvement statements into the performance management framework

15   The Council has made good progress to strengthen its service planning framework which includes key actions from relevant delivery and innovation plans (DIPs).They also include a clearer focus on residents and users of services. Service planning guidance has been strengthened and provides a good basis for helping service managers to develop robust plans. The guidance includes corporate-wide minimum standards to ensure individual plans are of a consistent quality. However, there is no guidance on determining outcome measures and target setting and as a result the targets within service plans are still underdeveloped. This means that there is no clear understanding of what the improvements for local people will look like and the Council cannot monitor and manage performance within its priority areas.

Clarify the way in which resources will be allocated to priorities and reflect this in all relevant plans and strategies

16   The Council's financial plans and strategies set out how some of the Council's priorities will be resourced. The Council's Information Technology Development Bids, Capital Programme Resource Allocation Model and revenue growth budget allocation consider the Council's priorities and rank each bid for funding against them. The draft medium term financial strategy (MTFS) does include details of how some of the major projects within the Council's priorities will be funded. However, it does not clearly articulate the proposals for each priority area and how they will be resourced within the three-year timescale of the strategy. The Council is now exploring ways to redesign the MTFS to clarify the links between each priority and the resourcing arrangements outlined within the medium term strategy.

17   There are some clear examples of shifting resources to priority areas such as extra resources to fund the Council's plans for reducing landfill and the Council's access project easy@york. The Council's tight financial position is projected to be even more challenging in 2008/09; this rules out the possibility of introducing additional funds. Consequently, the Council's emphasis is on improvement through service redesign and refocus. As a result, most prioritisation of resources takes place within individual service budgets such as Neighbourhood Services, where reallocation of funding from trading standards to priority front-line services has resulted in improved performance in street cleaning. The process for reallocating available resources is less clear for cross-cutting service improvement priorities such as customer focus and health. For these priorities, the champions are not in direct control of individual service budgets that may need to be reprioritised to deliver the desired outcomes.

18   The Council is improving its budget preparation arrangements and is trying to help councillors and managers gain a clearer understanding of the impact on performance of cost savings or growth bids. It now includes the use of 'strategic compass' models, recently developed by managers to demonstrate the additional value for money being achieved. However, these changes are not yet implemented and so their impact cannot be assessed

Introduce arrangements which promote systematic exchange of information about previous successes and failures in improving outcomes

19   The Council established two champions groups to monitor progress and promote shared learning. The first group involves all 13 champions - one for each improvement priority. The second group comprises the four organisational development champions. Both groups have reviewed overall progress over the last year. They have identified barriers and successes which have been shared and learned from. Meetings of the top 200 managers group, which was formed for the launch of the Corporate Strategy in November 2006, is used to cascade information, feedback on progress and generate ideas to improve delivery of the priorities.

20   The champions interviewed show a high level of awareness, competence and enthusiasm for the improvement areas that they are responsible for. They can demonstrate success in the planned improvements for year one of the DIPs. However the arrangements for personal appraisal and accountability of the champions is not systematic and there are no personal targets to ensure that progress can be tracked.

Make the reasons for focusing on the new priorities more explicit in Council communications and develop an internal communications strategy which should be implemented as soon as possible

21   Progress on communicating the Council's priorities internally and with residents and users is still underdeveloped. There is no overarching medium to long term internal or external communications strategy. The Council developed and implemented some tactical plans to communicate the 13 improvement priorities, launched in November 2006, to limited internal and external audiences. Although these initiatives have made the reasons for focusing on new priorities clearer, they have been primarily targeted at staff, partners and key stakeholders. Plans to communicate the refreshed priorities are similarly of a one-off nature. However, the Council has recently approved plans to re-launch its residents' newspaper which will be produced monthly rather than quarterly of a better quality with targeted communication of the Council's priorities and key messages.

Other relevant progress

22   Changes in political control and some key managers have delayed implementation of the revised corporate strategy framework. This was intended to be in place by July 2007 but will not now be formally approved until September 2007 and launched by the Leader and new Chief Executive in October 2007. This means that the Council again has a significant challenge to implement these new arrangements in time to feed budget and service planning processes effectively.

23   The corporate and staff culture is changing positively but is still at an early stage of development. Staff interviewed demonstrate a real enthusiasm for the new leadership and emerging direction, and suggest that a more corporate approach is developing across the directorates. The Corporate Management Team has agreed in principle to a proposed set of improvements to its approach to performance management and monitoring priorities. However a significant amount of work remains to be done to move from a set of design principles to an embedded culture of continual focus on priorities.

The way forward

24   These findings have been discussed with the senior officers in the Council and an action plan to address the recommendations has been agreed with appropriate responsibilities for implementation.

Appendix 1 – Action plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
	R1 Clarify responsibilities for the delivery of the new corporate strategy including the championing arrangements and build this into personal targets to drive and embed the required actions. The expected benefit of this recommendation is: • clearer accountability for delivery of the revised priorities, the new imperatives and progress against the direction statements The implementation of this recommendation will have high impact with low costs.	3	Chief Exec Lead Policy & Improvement team deliverer		CMT (15 August) agreed an overall framework for embedding the corporate strategy, including building in links to Chief Officer appraisals. The overall CS will be owned by CMT and the Executive, and individual parts of it owned by the OEP board, Champions and/or Project Boards. Detailed time-lines for this will be considered/ approved by CMT in early September (see attached). Revised championing arrangements will be finalised during the early part of September, alongside updating of all DIPs to reflect year 2 and year 3 actions, and identify high level measures for each priority. Monitoring of these actions and/or the measures will form part of Director/Chief Officer appraisals and will in turn be cascaded into those of relevant officers. These monitoring arrangements will also be at the heart of future corporate performance monitoring arrangements (starting with EMAPs in November and the joint CMT/executive monitor 2 session in December).	September 2007 December 2007

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
	R2 Revise the performance management arrangements by: • integrating targets for all priorities, values and imperatives. This should also include annual tracking of the direction of travel of the Council against its own direction statements; and • strengthening the service planning framework and guidance to include improved measures and target setting. The expected benefits of this recommendation are: • clearer understanding of what outcomes are expected; and • improved focus and reporting of progress against targeted outcomes The implementation of this recommendation will have high impact with low costs.	3	Director of People & Improvement lead Policy & Improvement team deliverer		We are committed to ensuring that the corporate strategy is at the heart of our corporate performance management framework. Work is nearly complete to refine our indicator set so that we have a small number of key measures for each of the existing priorities. These will focus around the outcome we are hoping to achieve and will be clearer about how we quantify success. More extensive work is required on the changed/new priorities, but this should be completed quickly once revised championing arrangements have been finalised. We will also identify a series of milestone events to track/report on performance on the corporate imperatives. Improvement targets will be set for each of the priorities. These targets, and target setting guidance to be included as part of service planning guidance, will be developed in a way which is complementary to the ongoing work with CMT on improving the Council's overall performance management arrangements. Progress against these targets and milestones will be tracked at an officer level as part of the CMT, OEP board and All Champions mechanisms; and at member level through Executive and EMAP reporting. (see 2nd point on R1)	October 2007 December 2007

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Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
	R3 Develop and embed decision-making and reporting mechanisms to ensure that the corporate strategy drives the actions of the Council. The expected benefit of this recommendation is: • increased focus on the things that matter most to the Council, its users and key partners The implementation of this recommendation will have high impact with low costs.	3	Chief Exec Lead Head of Legal, Democratic & Civic deliverer		A baseline position in relation to each of the seven direction statements will be established as soon as possible (and by end October at the latest). 'Direction of Travel' statements will be drawn up annually for each of the direction statements which will be integrated into the corporate performance framework. It is envisaged that these will form a key part of the Joint CMT/Executive year end monitor session and year-end reporting processes. We recognise that the success of the corporate strategy depends entirely on it influencing action on the ground. The process of developing the refreshed corporate strategy has had significant involvement of senior officers (CMT, CLG, OEP board, All Champions) and of members (group leaders, Executive, Shadow Executive), so good foundations are in place, but we recognised that much more work will be required. We will therefore be taking a number of steps to ensure that this is the case. These will include: • taking steps to ensure that the focus of the Council's corporate agenda (eg CMT, executive) is on delivery of the corporate strategy; and • ensuring that the direction statements are embedded in all core processes (performance management, decision making, service planning, resources allocation), so that they start to influence the key decisions made by the Council.	End October Immediate and then ongoing

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Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
					Updating the Council's decision making and reporting writing protocols to specifically link to the Corporate Strategy.	
	R4 Develop medium term, internal and external communication strategies in tandem to communicate the corporate strategy refresh effectively. The expected benefits of this recommendation are: • a clear articulation of the various components of the corporate strategy and how the key messages from these will be plainly communicated to appropriate internal and external audiences; • staff and partners will gain a better understanding of what the Council is trying to achieve and how their role contributes to this; and • better contribution to delivering desired outcomes for residents and users. The implementation of this recommendation will have high impact with low costs.	3	Director of People & Improvement lead Head of Marketing & Comms lead		We acknowledge the importance of ensuring that our refreshed Corporate Strategy is widely understood and owned throughout the council and the city. We also recognise the need to ensure that it is communicated more widely than previously and that the engagement of the public and partners are important to the strategy's success. We are presently developing a communication strategy which will work to fulfil these requirements and which better tailor its messages according to each stakeholder group, making the Corporate Strategy's components real, applicable and linked to the day to day business. We will stress the central and unchanging elements of much of the refreshed strategy and the continued relevance of our priorities. It will also articulate the new elements which have been added and demonstrate their importance to providing overall strategic direction. These elements will also have significant implications for our city partners and accordingly these need to be drawn out for this audience and links to the Community Strategy made more explicit i.e. commitment to partnership working and commissioning.	September Mid October/ ongoing

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