

Delivering Sustained Performance Improvement – Denbighshire County Council

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Summary report

Summary

What we reviewed and why

- 1 Performance management provides an opportunity to plan for improvements, measure success, learn from the experience and drive improvement. Done well it is a positive experience – done badly it can promote blame and a culture where poor performance is hidden and kept from those who can support and drive improvement.
- 2 The Council's performance management framework aims to help managers and councillors deliver improvement, demonstrate that they are delivering efficient and effective services and use resources effectively. Performance management is an integral part of the Council's approach to driving sustainable improvement.
- 3 In December 2019, an Internal Audit report on performance management gave a rating of high assurance overall. The report concluded that the performance management framework within the Council was managed well, and appropriate support was available. No major or critical risks were identified in the report.
- 4 Although the Council has a good track record of managing performance, it does face some significant challenges. The Council's Annual Performance Review 2020-21 shows that delivery against performance indicators is mixed with some rated as 'good' or 'acceptable' and many shown as being 'priorities for improvement'. A lack of data in some areas makes comparisons difficult. Whilst officers have prioritised dealing with the recent COVID-19 pandemic (the pandemic), which will affect performance in many service areas, it is important that the performance management arrangements continue to provide assurance and alert managers about variations around delivery of core services and outcomes.
- 5 The impact on the Council's 'business as usual' because of the pandemic has been considerable. Many services changed and adapted in response to the pandemic. The Council has been redefining, 'business as usual' recognising that the pandemic may also have changed demand for services and the ways in which the Council delivers them.
- 6 The Council has reviewed its priorities because of the pandemic but decided they remain unchanged. The Council also established a separate set of COVID recovery priorities which it has now either achieved or will form part of its New Ways of Working project.
- 7 Our review took place between June 2021 and September 2021, and involved document reviews, interviews and focus groups with officers and councillors, and virtual meeting observations. The review focussed on the Council's corporate performance management arrangements and examined Environmental and Young People's services as tracers to evidence how the corporate arrangements were being deployed in service areas.

What we found

- 8 Our review sought to answer the question: Are the Council's performance management arrangements robust and likely to support continuous and sustainable improvement as it rebalances from the impact of COVID-19?
- 9 Overall, we found that: **The Council's performance management arrangements are supporting the delivery of the Council's corporate priorities, with opportunities to strengthen arrangements in some areas.** We reached this conclusion because:
- The Council has an effective performance management framework in place
 - The Council's arrangements for measuring and reporting performance are effective with some opportunities for improving its performance management software
 - The Council has good arrangements for reporting on performance against its priorities but could improve its performance reporting in non-priority areas and report financial and performance data together

Recommendations

Exhibit 1: recommendations

The table below sets out the recommendations that we have identified following this review.

Recommendations	
R1	<p>The Council should consider how it can better support staff to use the Verto system. It needs to:</p> <ul style="list-style-type: none">• review the content and frequency of the training and support available to staff; and• consider whether the new Verto contract allows it to make the system more user friendly.
R2	<p>The Council needs to present financial and performance information simultaneously, to provide elected members and officers with greater understanding and context of the links between performance and spend/cost.</p>

Recommendations

R3 The Council should ensure it has a consistent corporate approach to monitoring performance in areas that are not covered by Corporate Plan and Service Plan priorities.

R4 The Council needs to ensure that staff one-to-one meetings are taking place as planned and are being accurately recorded in a timely manner.

Detailed report

The Council's performance management arrangements are supporting the delivery of the Council's corporate priorities, with opportunities to strengthen arrangements in some areas

The Council has an effective performance management framework in place

- 10 The Council's priorities are set out in its Corporate Plan 2017-2022. Each priority is supported by defined actions and expected outcomes. The five priorities are:
- Everyone is supported to live in homes that meet their needs
 - Communities are connected and have access to goods and services locally, online and through good transport links
 - The Council works with people and communities to build independence and resilience
 - The environment is attractive and protected, supporting wellbeing and economic prosperity
 - Younger people want to live and work here and have the skills to do so
- 11 The Council has a clear and transparent process to set targets for each priority area which considers all-Wales performance data. If the Council's performance is in the upper quartile compared to other councils in Wales it is categorised as 'excellent'. If the Council's performance is between median and upper quartile it will be categorised as either 'good' or 'acceptable' performance and if the Council's performance is below the all-Wales median it is categorised as a 'priority for improvement'. However, the publication of fewer national data sets in recent years has challenged this methodology. Where national comparator data is not available, targets are set following discussions between heads of service and performance officers about what represents an acceptable level of performance. Inevitably, this process is more subjective. Councils will need to ensure that a suitable range of comparator information is available, if not nationally then regionally in the future, as it is an important component of self-evaluation/self-assessment.
- 12 Each service has a service plan that supports delivery of the corporate plan priorities. Service plans are agreed annually and rarely change significantly from year to year because they are linked to the corporate priorities, which are set for a five-year period. Service plans set out an overview of the service and the outcomes the service is aiming to achieve. The plans include the performance indicators, measures and activities that will be used to assess progress against achievement of the objectives. Each outcome is allocated a red, amber, or green (RAG) rating, which indicates the level of improvement needed, and these are updated when the service plans are reported each quarter. Service plan reports are considered as

part of the service challenge process, although this has not taken place in the usual way during the pandemic.

- 13 The Council's Strategic Planning Team supports managers with the development of service plans. The process takes account of intended outcomes, indicators, and targets for performance. This process typically begins in December, with the plan being agreed by the Head of Service and lead portfolio members by the beginning of the next financial year.
- 14 Both the Education and Children's Services plan and the Highways and Environmental Services plans support delivery of their relevant corporate priority although the links could be clearer. The Highways and Environmental Services plan references the Corporate Plan priorities but does not explicitly set out how the service plan objectives link to the Corporate Plan. The Education and Children's Services plan does not explicitly reference the Corporate Plan, although it is apparent that the service priorities are linked to the Corporate Plan objective 'Younger people want to live and work here and have the skills to do so'.
- 15 Targets for the service plans are reviewed annually, in June or July by Senior Leadership Team and Cabinet, supported by performance officers. If a target has been met easily, or if a target is no longer achievable, it can be revised as part of this process.

To link delivery of performance of corporate and service priorities to individual staff, the Council uses monthly one-to-one meetings, instead of an annual appraisal process. Officers we spoke to during this review were positive about this methodology, as the monthly one-to-one meetings were said to be more effective in terms of managing staff and their performance. However, in Education and Children's Services and Highways and Environmental Services, the percentage of staff who had at least three one-to-one meetings in the last 12 months was assessed as 'red'. Officers believed this was a recording issue rather than an actual reflection of the frequency of one-to-one meetings.

The Council's arrangements for measuring and managing performance are effective with some opportunities for improving its performance management software

- 16 Where performance is below the Welsh median, as noted above, it is categorised as red and triggers higher levels of scrutiny at a senior level. If performance is above the median or in the first quartile, it is categorised as amber or green and no further consideration is required.
- 17 The Council collates and records performance data using a bespoke performance management software system, called Verto which has many advantages over more generic software. For example, Verto can generate reports directly, and has greater stability when dealing with large data sets. However, many managers told us that they found Verto difficult to use. Internal Audit also identified difficulties

using and navigating the system as a risk in their December 2019 report on performance management.

- 18 Many staff only use Verto quarterly to provide the data used to report on performance to Senior Leadership Team and Cabinet. As a result, they have limited opportunities to become familiar with the system. Staff we spoke to did not consider Verto to be intuitive and described needing to take several steps to access the relevant section, which can be difficult for users to remember. The Council has provided staff training and made user guides available. The guides are available on Verto and also bilingually on the Council's intranet. We spoke to officers who had attended training, but still found the system difficult to use. Corporate performance officers are available to assist, but clearly it is more efficient if users can do their work independently.
- 19 Due to the length of time that Verto has been in place, (approximately seven years) the Council recently completed a tendering exercise for performance management software. The Council concluded that Verto continues to offer the Council the best functionality and value for money. The Council will therefore continue to use Verto, with some additional developer time incorporated into the new contract.
- 20 Having decided to continue to use Verto, the Council has an opportunity to reflect on the experience of staff using the system. By engaging with staff, the Council will better understand what additional support officers might benefit from and whether this can be accommodated with the additional developer time in the new contract. This could result in performance data being added to the system and accessed more easily and efficiently.

The Council has good arrangements for reporting on performance against its priorities but could improve its performance reporting in non-priority areas and report financial and performance data together

- 21 Performance against the corporate plan and service plan priorities is reviewed quarterly by Senior Leadership Team, by Cabinet and by the Performance Scrutiny Committee. The reports are publicly available as part of the scrutiny committee and Cabinet agenda papers. The reports provide a narrative update on progress against the priorities and report performance on specific measures. The reports include whether current performance indicates the measures should be a priority for improvement, acceptable, good or excellent. Whilst the information provided is comprehensive, it could be presented in a more visual way, for example, with the use of charts, tables, and colour coding to highlight variations between the target and actual performance.
- 22 The Council's Performance Scrutiny Committee meets every six weeks. The Committee considers the performance reports prior to their consideration by Cabinet. It also looks at items such as the Director of Social Services' Annual Plan,

the corporate risk register, Library standards and other service specific strategies and plans.

- 23 Where cabinet and scrutiny committee members request further clarification as part of the quarterly performance reporting process, the explanation for poor performance and remedial action can be discussed at the time. Where further clarity or detail is required, but cannot be provided immediately in the meeting, it can be reported back to members following the meeting, through the committee support officers. Councillors also have the option to add items to the scrutiny forward work programme.
- 24 The processes the Council has in place to manage and report performance are mostly effective but are clearly focussed on Corporate and Service Plan priorities. Historically, performance of corporate health areas such as sickness absence, or payment of invoices within agreed timescales, has not been reported to Cabinet or scrutiny committees and was therefore not accessible to the public. In June 2021, the Council added a new set of measures to its Annual Performance Report, which included performance in areas such as financial health, customer service, member attendance, gender pay and sickness absence. The Council intends that subsequent quarterly reports will continue to present this data.
- 25 The Council has established an annual service challenge process, where officers, Cabinet members and scrutiny chairs consider the performance of a particular service area. These service challenge sessions cover all council services and provide managers with an opportunity to share important information about their services and to be challenged about recent, current, and planned performance. At the service challenge sessions, attendees receive an overview of the whole service.
- 26 For this year, the information provided to councillors was less detailed as the intention was to focus on the impact of and response to the pandemic. This means that there was less information provided about service level performance. Feedback from attendees about the revised approach was positive, as under the previous format, some attendees found the level of detail and volume of information challenging to absorb and understand.
- 27 It is understandable and appropriate that the Council's response to the pandemic will have meant less focus on business as usual. However, when arranging future service challenge sessions, the Council will want to consider what information will help to facilitate effective challenge and ensure this opportunity to focus on the Council's broader performance is not lost.
- 28 Whilst officers report quarterly performance reports to Cabinet alongside finance updates and the Annual Performance Report contains some high-level financial information, the Council does not effectively align financial and performance information in its reporting. Internal Audit identified this as a risk and the Council accepts Internal Audit's findings, although it has not yet acted on the recommendation. Demonstrating the link between spending/costs and impact can be complex, but that should not prevent the Council from taking a more pragmatic

approach to presenting budget/spend and performance information simultaneously. That would allow officers and councillors to see the connection between output/activity and spend and would be a useful step forward from the current situation in terms of providing additional context for performance data.



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