

**CARLISLE  
CITY COUNCIL**



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## Legal and Democratic Services

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TO THE CHAIRMAN AND MEMBERS OF  
THE EXECUTIVE

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SH/

26 February 2003

Dear Member :

### EXECUTIVE – 3 MARCH 2003 AT 1.00PM

I refer to the papers which have been despatched for the above meeting and now enclose a copy of a report from the Head of Strategic and Performance Services dealing with Prioritisation which the Chairman has indicated will be dealt with as an urgent item at the meeting of the Executive on Monday 3 March 2003 at 1.00pm in the Flensburg Room. The report can be dealt with as Agenda Item A.25.

Yours sincerely

*J. M. Egan*

Head of Legal and Democratic Services



INVESTOR IN PEOPLE



## Report to Executive

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**Date of Meeting:** 3 March 2003

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**Public**

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**Key Decision:** No

**Recorded in Forward Plan:** No

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**Inside/~~Outside~~ Policy Framework**

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### Summary

In order to focus the Council's resources in the most effective way and release capacity to deal with emerging priorities and those which add most value to the Council's objectives, Members need to engage in a priority-setting exercise based on intelligence such as relative performance and importance. The report makes recommendations for such an exercise and suggests an appropriate methodology.

### Recommendations

The Executive is asked to agree to: -

- The need to carry out the short and medium term prioritisation exercises described in the body of the report
- The process for preparing for and carrying out the prioritisation exercises

The Leader is asked to arrange a date with the Head of Strategic & Performance Services for the initial, short-term prioritisation exercise.

## **1. Background Information**

Ken Johnson, the consultant engaged to prepare the authority for its CPA inspection (inspectors due on site 16<sup>th</sup> June 2003), prepared, in early January, a baseline assessment of the City Council's performance using the latest CPA methodology.

The assessment resulted in a 'fair' score for Carlisle City Council, but recommendations were made in 6 areas which, if addressed, could have a significant positive influence on the Council's score in 'the real thing'.

Recommendations were made in the areas of: -

- Setting priorities and improving the performance management system
- Developing a 3-year financial strategy
- Dealing with outstanding issues arising from the organisational review
- Improving communications, particularly with regard to the Council's achievements in the community
- Dealing with Member issues, including the improvement of O&S and the re-engagement of back-benchers
- Improving community engagement e.g. via area forums

This report details the actions being taken to deal with the first of these issues, the Council's prioritisation process and performance management framework.

## **2. Benefits of Performance Management**

The lack of a robust performance management system, linked to organisational objectives, is one of the Council's key weaknesses and a demonstration of planned improvements in the process will be beneficial at the time of the CPA inspection. Performance Management is a straightforward process which helps organisations do their business better. Good performance management is what will secure the survival of individual local Councils in the future.

The benefits of a sound system of performance management are:-

- The organisation stays focused on what matters
- Everyone works towards the same aims
- The needs of stakeholders are understood
- The value that the organisation adds to the community can be quantified

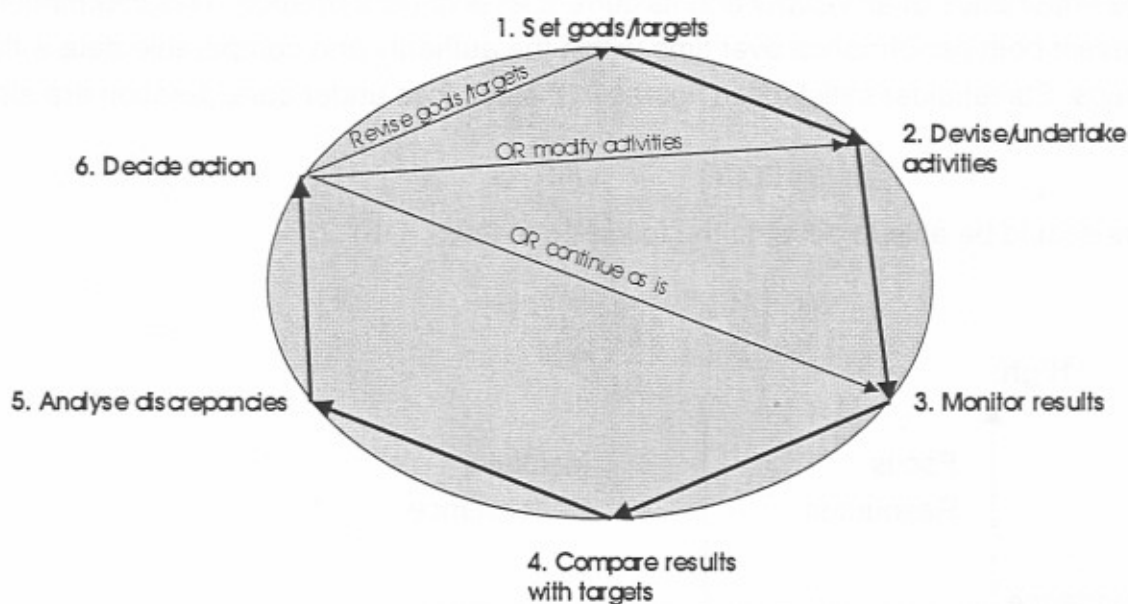
### 3. Elements of the System

There are only 3 key elements to a performance management system. These are:

- **PLAN** What you are trying to achieve and how to achieve it
- **DO** Develop and undertake tasks to achieve your plans
- **REVIEW** Periodically, review progress against your plan and amend 'Do' if necessary to ensure achievement

A commonly used method of presenting the plan-do-review concept in more practical detail is the Control Loop diagram, set out below. This simple tool for performance management should be systematic in all parts of Carlisle City Council. It is not.

### The Control Loop



Those organisations which are good at performance management plan what they want to do and how to do it. They then review how they have performed & make changes if necessary, so are more likely to be delivering good services. They can also quantify their achievements which makes it easy to communicate successes to their stakeholders.

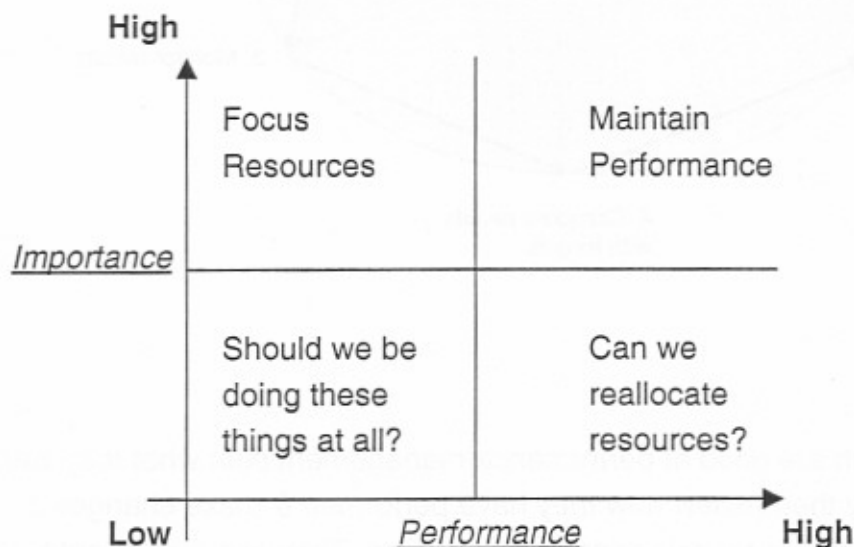
#### 4. The Current Situation

Performance management in Carlisle City Council is suffering from a lack of focus. The thirteen objectives in The Corporate Plan which relate to the City Vision have not been supported by high - level performance indicators to help members or officers measure progress towards those objectives. Instead, attention is focused on a disparate collection of low – level, often input or process focused, priorities for action. Even considered together, these actions do not form a coherent picture of Council performance or progress.

In addition, the objectives in the corporate plan are not used as a planning tool in deciding Council business nor a monitoring tool in judging levels of performance. This leads to the question of whether those thirteen objectives are actually the Members' priorities at all.

Within the stated priority areas there will be varying degrees of performance. Members must be given the tools to enable them to focus resources to areas of greatest need. Performance information should be presented to enable them to strike a balance between the relative importance of an activity and its current level of performance. This information should present both performance over time within the authority and comparable data with family groups. Stakeholder satisfaction figures in the services under consideration are also relevant.

Councillors should be able to develop the following matrix:-



In addition, once this initial matrix has been prepared, the anticipated impact of any action on performance should be mapped, to enable the Council to focus resources where the following criteria are met:-

- Importance is highest
- Performance is lowest
- Impact is greatest

This prioritisation exercise should take place in two stages: -

- Short-term priorities: to set the agenda for 2003/2004
- Medium-term priorities: for the coming 3 years, to be incorporated into the revised Corporate Plan

## **5. Short-Term Prioritisation**

The organisation needs to create some capacity in order to deal with emerging priorities over the coming year. In order to facilitate this, the Strategic & Performance Services Unit is working with individual Business Unit Heads to identify current work issues and prioritise them according to a set of pre-determined criteria covering issues such as performance, importance and satisfaction (copy of evaluation criteria at appendix 1). The activities being subject to this evaluation are: -

- The 202 'priorities for action' as set out in the Corporate Plan
- Actions relating to our lowest quartile performance indicators
- Actions set out in best value improvement plans
- Any other activities which are not covered in the above

This exercise will result in a long list of actions, each with a 'score' for priority attached to help Members set their priorities for the coming year it will also assist in 'clearing the decks' of those activities will no longer add value to the Council's objectives.

It is recommended that Councillors use this information to inform their priorities and set performance targets for the coming year. It is considered that this will be best facilitated through a joint meeting with the Executive & senior officers to discuss the results of the evaluation exercise and agree a way forward. The Executive is asked to agree a date for this exercise.

## **6. Medium-Term Prioritisation**

Members need to be able to set their priorities based on intelligence and supporting documentation, this is particularly important when deciding on Council direction for the longer term. It is recommended that Councillors carry out a medium-term prioritisation exercise (for the next 3 years, to be incorporated into a revised corporate plan) towards the end of May. An integral part of this exercise should be a critical review of the Council's current objectives, as set out in the Corporate Plan and the development of high level indicators to measure progress towards objectives.

In addition to the intelligence described above, the Strategic & Performance Services Unit will also provide Councillors with information on comparative performance over time and comparative performance with family group authorities to assist in realistic but challenging target-setting, a key feature of any robust performance management system.

## **7. Improved Performance Management**

The successful completion of the prioritisation exercise described above is the catalyst necessary to achieve improved performance management. Without it, resource, both financial and non-financial will continue to be less effective than it might be. Once priorities have been decided upon and communicated, they can be reflected in the improved business planning process being developed to complement the prioritisation work. The revised business plan and performance management framework will be the subject of a later report.

## **8. CONSULTATION**

### **8.1 Consultation to Date.**

The proposals contained in this report have been discussed with Executive & CMT members.

### **2.1 Consultation proposed.**

Consultation should continue throughout the prioritisation exercise. Members may wish to consult with the community on the outcome of this exercise.

## **3. STAFFING/RESOURCES COMMENTS**

It is not expected that the short-term prioritisation exercise will have a great impact on resources, except that it should enable Business Unit Heads to focus more of their resources to areas of high priority within the Business Unit. The medium-term prioritisation exercise may have a more significant impact on the distribution of resources across the authority, but 3-year financial planning, which is currently being developed and is intended

to match resources to priorities, will address this issue. This was committed to by the Leader of the Council during his recent budget speech when he said that "the Executive continues to exercise prudent financial management in the development of 3-year financial planning as the corporate plan is fully integrated with our budget."

#### **4. HEAD OF FINANCE'S COMMENTS**

To follow.

#### **5. LEGAL COMMENTS**

To follow.

#### **6. CORPORATE COMMENTS**

The report covers a corporate issue. Successful implementation of the recommendations will address both District Audit and Best Value Inspectorate concerns as well as minimise any criticism from CPA inspectors in June.

#### **7. RISK MANAGEMENT ASSESSMENT**

The risk is in not carrying out this exercise and is related to inefficient use of resources and adverse inspection results.

#### **8. EQUALITY ISSUES**

Not applicable.

#### **9. ENVIRONMENTAL IMPLICATIONS**

Not applicable.

#### **10. CRIME AND DISORDER IMPLICATIONS**

Not applicable.