



WARDS AFFECTED
ALL WARDS (CORPORATE ISSUE)

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REOPS Scrutiny

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Discussion: Future Approach to the Delivery of Best Value

Report of the Assistant Chief Executive

1. Purpose of Report

At the Cabinet meeting in January 2005 Members discussed the Best Value programme and agreed that no services be reviewed in 2005/06. It's 12 months since that decision was made and it's prudent now to take stock of the situation. This effectively means assessing how confident the Council is in meeting its statutory duty on Best Value and so decide how best to manage its future approach.

2 Summary

Much of the effort around improving performance so far relates to structure, techniques, processes and the like. We had a system for dealing with Best Value and it was showing clear service improvement achievements. However, that was changed following Members' decision that no services be reviewed in 2005/06. In addition, new systems are now in place to improve performance i.e. the performance management framework (see Appendix 1), including the service planning process and the Comprehensive Performance Assessment (CPA). Cabinet are therefore asked to confirm whether the above decision made by Members' is upheld for the foreseeable future by using the performance management framework to deliver Best Value.

3 Recommendations

Cabinet are recommended to agree that:

- The Best Value review process, as an improvement tool should not be used to deliver Best Value for the foreseeable future.
- The performance management framework be used to deliver Best Value.

4 **Headline Financial and Legal Implications**

There are no financial implications but the duty to deliver Best Value is still on the statute book.

5 **Author**

Carine Cardoza
Chief Executive's Office
25th January 2005

DECISION STATUS

Key Decision	No
Reason	N/A
Appeared in Forward Plan	No
Executive or Council Decision	Executive (Cabinet)

Discussion: Future Approach to the Delivery of Best Value

Report of the Assistant Chief Executive

SUPPORTING INFORMATION

1. Purpose of Report

- 1.1 At the Cabinet meeting in January 2005 Members discussed the Best Value programme and agreed that no services be reviewed in 2005/06. It's 12 months since that decision was made and it's prudent now to take stock of the situation. This effectively means assessing how confident the Council is in meeting its statutory duty on Best Value and so decide how best to manage its future approach.
- 1.2 This report is centred on the five dimensions of this issue:
- Background to Best Value
 - Managing the performance of the Council
 - Planning for Service Delivery
 - Assuring Best Value
 - Building Capacity

2 Background to Best Value

- 2.1 To one extent or another the Council has been engaged in activities aimed at improving performance since the late 1960's i.e. work study, organisation & methods (O&M), service appraisals, quality audits, value for money studies, EMAS, British Standards Quality IS9000 series, IIP, improving processes and project management, e-government – the list goes on. In the early 1990's business planning was introduced to help deliver continuous performance improvement.
- 2.2 The primary legislation for Best Value, the Local Government Act 1999 came into effect in April 2000. Under section 3 Best Value authorities have a duty to make arrangements to secure continuous improvement in their functions having regard to a combination of economy, efficiency and effectiveness. This introduced the requirement to publish a Best Value Performance Plan (BVPP), which reports performance on the delivery of strategic priorities and outlines the improvement measures required. Later regulations require a summary performance plan to be published annually by the end of March. An integral part of the BVPP is a programme of reviews.

2.3 Other initiatives to improve performance have been developed such as:

National

Public Private Partnerships
PSAs
Beacon Bids
Citizens Charter Mark
E government
National Procurement Strategy
Peer reviews

Local

Equality Impact Assessments
Peoples Panel
Consultation Toolkit

2.4 The Government's review of Best Value, including the work by Sir Michael Lyons revised the Best Value process. It meant that authorities are no longer obliged to undertake Best Value reviews of all their services once every five years. There is now more discretion to choose what functions to review and when. The legal requirement to deliver Best Value and to review services where this is necessary remains in force. The review also led to the formulation of the concept of comprehensive performance assessment (CPA). Authorities will still be inspected but to a level proportionate to their CPA score. CPA is now seen as the cornerstone of the performance framework for local government and its capacity to improve. Leicester City Council was scored as GOOD in its CPA rating in 2003 and 2004. A new and more challenging framework was introduced in 2005.

2.5 The Council has completed four years of the original programme of Best Value reviews and action plans are either complete or close to it. These reviews provided the opportunity to take a fundamental look at many service areas. They all produced improvement plans which has helped underpin improvement in a range of services and achieve the **Four Stars** rating under the CPA.

2.6 The Best Value reviews in years one to four covered a lot of the Council's territory. However, services scheduled to be reviewed in year 5 were put on hold following Members' decision and so those services and others were not challenged and remain unchallenged including Housing Renewal, Regeneration, Markets, Democratic Services and Environmental Health.

2.7 The Council is undertaking an ambitious change agenda – the service integration review and the various projects under the business improvement programme such as the

- Support services review
- Property review
- Procurement project
- Resource management systems project
- Information management project

2.8 The aim of these reviews is to deliver efficiency savings and service improvement benefiting both users and the Council. They are not branded as Best Value reviews and although they don't need to be, they should be recognised as parallel

processes, for example the Project Initiation Document's (PID's) should address the 4C's of Best Value: challenge, consult, compete & compare and with successful outcomes they will help to achieve Best Value.

3 Managing the Performance of the Council

- 3.1 Best Value encourages people who manage/do the work to learn from the best practice of others and to respond appropriately to performance information - a learning organisation and one which actively manages knowledge. In terms of Best Value, the Council specifically adopted a self-review model to generate management ownership of review outcomes rather than a central review team. Experience demonstrated the importance of an appropriate culture for this approach to be successful.
- 3.2 It is important not to underestimate the impact of the Best Value regime. Prior to this becoming a statutory duty backed up by the inspection regime, progress on the attainment of a performance management culture in the Council was tough going. The advent of the regime led to a renewed interest in performance management and the whole process was improved. However, there is still a distance to go before we can say with complete confidence that we are in all areas a high performing organisation. Although inspection results are improving, our improvement of performance indicators (PI's) remains slow.
- 3.3 The Council should by now be delivering Best Value through the performance management framework and not relying on reviews to stimulate improvement. Effectively this means through the new service planning mechanisms of the Council. However since its introduction early this year, the process has been challenging and progress to produce service plans on time, has been slow in a number of departments.
- 3.4 In July 2005, Corporate Directors Board (CDB) approved arrangements for quarterly monitoring of key performance indicators. The information in conjunction with other performance data will be used to predict an overall CPA score and to highlight areas of concern and to develop action plans to improve performance. Reports will be sent quarterly to Strategic Resources Group and CDB and half yearly to REOPS and Cabinet. This process will help to track the Council's progress in maintaining its score of four stars.

4 Planning for Service Delivery

- 4.1 This is an ongoing process and strong links need to be made to the external environment, including the shared priorities of Government and those of our partners. Plans are made, they become subject to renewal as priorities change, new issues emerge and so on. The core elements and associated process are the strategic direction, the budget, statutory plans, corporate plan, service plans and the Council's role in joint plans such as the Community Strategy and the Health Improvement Plan. It has been acknowledged by the Audit Commission and Government that the plethora of plans was a recipe for confusion and as a result the Government reviewed the need for the level of statutory plans. The existence of a corporate plan was seen as good practice by the CPA inspectors (Audit Commission) as it provides the cohesion across all the plans and the links between the Council and its 'partner' agencies.

4.2 At the detailed level the structure of the plans of the Council must now point the way to the delivery of a high rating CPA. The government in terms of a corporate assessment is looking for Councils to demonstrate:

- attention given to diversity, human rights and user focus as part of the delivery of services.
- effectiveness in managing cross cutting issues between shared priorities.
- achievement through the investment a council and its partners make for the future, the focus they have on seeing these initiatives through to conclusion and the evidence of real impact locally at the time of assessment.¹

In particular they will set out the means by which the Council's priorities get translated into operational objectives and targets.

4.3 The Best Value Performance Plan (BVPP) is the main instrument for reporting transparently on the delivery of the service plans. The main components of the plan as set out in Section 6 of the 1999 Act and SI 1999/3251 are:

- what services the Council will deliver to the public.
- how they will be delivered.
- what standards of service are currently being delivered and what standards the public should expect in the future.
- what action will be taken to deliver such standards of service and over what timescale?

4.4 In addition the BVPP will be required to report how improvement planning has been integrated within the authority's future work programmes. Also how improvement planning is expected to help improve the authority's performance, and the time scales for delivering improved performance.

5 Assuring Best Value

5.1 The best way to deliver Best Value is, as the Audit Commission puts it, by making it part of the day job. However some controls do need to be in place for the Council to be assured that things are on track. External control is from the auditing and inspection and the Council's response to the feedback. This is supported by the direction of travel statement under the new CPA regime.

5.2 Internally, Scrutiny and Cabinet play a role in assuring that reviews of whatever form, deliver an improvement plan that will lead to Best Value. The corporate governance process will provide further assurance through the annual evaluation/monitoring of the performance management framework and the

¹ Audit Commission: Key Lines of Enquiry for Corporate Assessment 2005

elements of it, e.g. the quality of service plans and the overall performance position of the Council in relation to the performance indicators.

- 5.3 The quarterly performance reporting process involving the Board, Scrutiny and Cabinet/Cabinet leads will be a further control on the delivery of Best Value but this is limited by the coverage of the performance indicators with many of the Council's activities not represented.
- 5.4 We must ensure that PID's (para.2.8) for major improvement programmes are checked to ensure the 4C's are covered and so provide supporting evidence of good practice to the Audit Commission and other inspection agencies.
- 5.5 Efficiency plans, which are currently being prepared by departments across the Council, will contribute to improving value for money.
- 5.6 In addition, service plans are being looked at alongside budget decisions to ensure that Best Value is mainstreamed into department's work programmes by reviewing past performance, outlining key achievements and identifying areas for action.

6 Building Capacity

- 6.1 Delivering Best Value is inexorably linked to how employees feel counted, capable and connected to the plans of the Council, either at the corporate or local level. In many respects this is the softer side of Best Value. A highly motivated workforce is much more likely to deliver than one that only functions out of a command and control culture. It was a significant part of the role of the corporate Best Value team and those leading Best Value projects and working on individual reviews to create this positive culture. The culture change project is continuing this work.
- 6.2 The practice of Best Value projects was for a head of profession to lead a review. It promoted ownership of the results, naturally ensured a professional input into the review and spread expertise on Best Value. However there were disadvantages in that review leaders were often fresh to the process and invariably were left with other heavy workloads. If the model where Best Value is delivered through the performance management system continues, then consideration is needed on how best to ensure ongoing challenge to service managers and the competency skills required to deliver Best Value.

7 Conclusion

- 7.1 Much of the effort around improving performance so far relates to structure, techniques, processes and the like. We had a system for dealing with Best Value and it was showing clear service improvement achievements. However, this was changed following Members' decision that no services be reviewed in 2005/06. In light of the issues raised in this paper can that decision be confirmed for the foreseeable future using the performance management framework to deliver Best Value?
- 7.2 Its important in summary to note:
 - Best Value is still being used by local authorities particularly by those in Scotland.

- The basic tenets of the Best Value Act are still on the statute book and so we are expected to deliver it.
- Best Value is one route to achieving a good CPA.
- Critical factors to have in place for Best Value are performance management, an appropriate culture and good management practice. This demonstrates that we are open to challenge and willing to pursue alternative models.
- We have a programme of fundamental change being implemented across the Council. There is a risk of focussing on performance and efficiency, missing out on addressing the 4C's (challenge, consult, compete and compare).

8 Recommendations

Cabinet are recommended to agree that:

- The Best Value review process, as an improvement tool should not be used to deliver Best Value for the foreseeable future.
- The performance management framework be used to deliver Best Value.

9 Headline Financial and Legal Implications

There are no financial implications but the duty to deliver Best Value is still on the statute book.

Other Implications

The report seeks to improve the monitoring of performance in the following areas:

Other Implications	Yes/No	Paragraph references with supporting information.
Equal Opportunities	Yes	
Policy	Yes	
Sustainable and Environmental	Yes	
Crime and Disorder	Yes	
Human Rights Act	Yes	
Elderly People on Low Income	Yes	

10 Background Papers – Local Government Act 1972

Audit Commission National Data Base

11 Consultation

Heads of Policy & Performance (HPP) discussed the report at their November meeting and agreed that no further Best Value reviews be carried out, that the report should proceed to Strategic Resources Group (SRG) in January 2006 and that the former two recommendations be deleted:

- Service Review PIDs should address the 4C's.
- The senior management competency framework should include the skills required to deliver best value.

SRG at their meeting on 17th January 2006 agreed with HPP and the recommendations of the report.

12 Report Author

Carine Cardoza
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25th January 2005

Appendix 1

(Note associated appendices are not attached)

Leicester City Council

The Performance Management Framework

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1. Introduction

1.1. This document sets out the Council's performance management framework. The performance management framework of the Council has the overall purpose of providing the foundations for meeting the corporate plan objective:

“To invest in continuous improvement in a well-managed organisation”

In meeting this objective the Council will move closer to achieving the overall corporate aim of:

“MAKING LEICESTER MORE ATTRACTIVE FOR OUR DIVERSE COMMUNITIES TO LIVE, WORK AND INVEST IN”

1.2. The specific objectives of the performance management framework are to:

- Specify and state the Council's overall mission, vision, purpose and values.
- Specify and clarify the Council's agreed aims, objectives and targets.
- Cascade these aims, objectives and targets appropriately through each tier of the organisation so that ultimately employees individually are clear about the relevant contribution they are to make.
- Monitor and review the Council's overall performance in achieving the aims, objectives and targets.
- Communicate the results to the public, councillors, managers, staff, service users, partner organisations and Central Government.
- Enable the Council to match available resources in terms of people, money, property and ICT to the achievement of these aims and objectives and targets.
- Enable the Council to review and develop employees' performance, identifying training and development needs in line with the organisation's aims, objectives and targets.
- Foster and enable an organisational culture that promotes continuous service improvement at all levels in the Council.

2. The framework

2.1. The diagram on page 24 sets out the broad framework.

2.2. The Community Plan (defining the priorities for the City) will be one of the main vehicles by which the Council will define its priorities over the next 5-10 years. Thus it provides one basis for setting the Council's strategic aims and objectives, in its corporate plan, for that period. The first Community Plan for the City was launched in November 2000. It was shaped by the Leicester Partnership for the future and integrated the work of Local Agenda 21 and the Blueprint for Leicester. A major consultation exercise was carried out over ten

months with members of the public, partners and service providers. An interim update to the plan was undertaken in 2003 and it will be reviewed in full during 2004.

2.3. The Community Plan however cannot be the only driver of Council priorities. There are other key influences on the Council's use of resources and decision-making and these include:

- Local political priorities - which reflect the political priorities and ambitions of elected members.
- National priorities set by Government - these include other policy directives and the achievement of national performance indicators.
- Statutory requirements set out in law - these include various services and standards of service that the local authority must provide.

2.4. The corporate plan reflects the strategic political choices made by the Council's political administration in the context of the above. A copy of the corporate plan is shown in **Appendix 1** and in **Appendix 2** in the form of strategic maps. A copy of the community plan is shown in **Appendix 3**.

2.5. The corporate plan informs and is informed by the Council's key strategies. These strategies are those that have one or more of the following properties:

- National priorities or statutory requirements or requiring approval by full Council as defined in the Local Government Act 2000.
- Strategic and involve more than one department or agency.
- Medium to long term, e.g. 3-10 years.
- Robust, set out the financial implications and are capable of being measured in terms of outcomes achieved.
- Have significant financial implications for the Council.

2.6. These key strategies fall into two categories: Service policy strategies that assist the Council manage the services it provides, often with other partners, and strategies that assist the Council to be a well-managed organisation. The key strategies are:

➤ **Service strategies:**

- Annual Library Plan
- Central Leicestershire Local Transport Plan
- Children's Services Plan
- City of Leicester Local Plan
- Supporting people strategy
- Employment strategy
- Crime and Disorder Strategy
- Early Years Development and Childcare Plan
- Education & Lifelong Learning strategic Plan

- Education Development Plan
- EMAS
- Leicester carers' strategy
- Housing strategy
- Leicester City mental health strategy
- Local Cultural Strategy
- Quality Protects
- The Leicester Regeneration Strategy
- The Stephen Lawrence Inquiry-Action Plans
- Waste Management Plan
- Youth Justice Plan
- Physical & sensory disabilities strategy

➤ **Resource strategies:**

- Human resource strategy
- Capital and revenue budget strategies
- Asset management plan
- Equalities strategy (incorporate the Race Equality Scheme)
- Information & communications technology strategy
- Customer access strategy
- Communications strategy
- Procurement Strategy

2.7. This list will be reviewed annually at the start of each service planning cycle as priorities change.

3. Operational departmental service/business improvement planning

3.1. Although departments remain the primary means of structuring the Council's business, the production of a departmental plan is optional. All service areas must develop a service plan. These plans are the primary means by which the Council's corporate priorities are translated into operational objectives and targets. In a brief, focused and easy to understand way they will set out the priorities for service improvement over a rolling three year period, updated annually and detailing:

- ❖ The aim(s) for the service which must clearly support the priorities set by the Corporate plan;
- ❖ The key council plans and strategies that inform the service plan;
- ❖ The issues that influence the improvement strategy and their combined effect; e.g. past performance, supporting documentation, cross cutting responsibilities, future events, partnerships, etc.
- ❖ The improvement objectives that:
 - are citizen focused
 - provide a balanced approach to improvement

- are clear in their cause and effect
- are holistic in their interrelationship
- ❖ The performance indicators (qualitative and quantitative, service and cross cutting) and the targets set to achieve excellence.
- ❖ The initiatives required to deliver the objectives on time.
- ❖ The overall resources required to operate the service and the investment necessary to deliver the improvement initiatives.
- ❖ The assessment of risk inherent in implementing the service plan and the way in which this will be managed.
- ❖ The options generated throughout the planning process by considering the 4 C's of Best Value, challenge, consultation, comparison (of performance and practice) and alternative supplier options (compete),

3.2. Model service plans and guidelines based on the above are shown at **Appendix 4.**

3.3. The core planning framework will thus consist of the corporate plan supported by specific strategies and plans, e.g. the transport plan, and the service plans. Below the level of service planning the production of business plans by the units within those service domains will be at the discretion of the Corporate Director. For example where there is a need for this additional definition of who will be doing what to deliver the key priorities and objectives of the corporate plan. If a business plan is not produced then a work programme, supported by performance management information, will take its place.

4. Employees' individual performance

4.1. It is essential that organisational objectives and targets are translated into the actions of employees and that they have the capacity and capability to achieve the required targets or standards of service. This means that their performance and training and development needs must be regularly assessed and action taken.

4.2. The success of this performance management framework is dependent on clear lines of accountability for:

- Establishing and meeting the objectives, targets and performance indicators
- Monitoring these on a regular basis
- Taking action in accordance with the results
- Reviewing the impact of those actions
- Evaluating the outcomes over time and changing policy and priorities where necessary.

4.3. It is at level of the employee where many of the cultural aspects associated with effective management take effect and where the inter-relationships between performance management and people management are critical. Plainly, it is where good performance needs to be acknowledged and praised and poor performance challenged and improved. This is done principally through the following processes:

- Good leadership, direction and management in terms of supervision, coaching and support to staff.
- The Council wide commitment to Investors in People – which seeks to match the training and development of staff to the business priorities of the organisation.
- Employee Appraisal Scheme – which seeks to monitor and review on an ongoing basis individual objectives and performance and individual training and development needs.
- The Council's appraisal scheme has been reviewed in recognition of the above and this is contained in **Appendix 5**

4.4. The output from these processes will be individual, business/service unit, departmental and corporate training and development plans. It will also importantly ensure that individual performance is tied into meeting the aims of the Council.

4.5. There will be times when the performance of an individual does not meet the requirements of the Council. It is at this time that the relevant human resources policies will come into play such as the capability and disciplinary procedures.

5. The Budget Process

5.1. It is essential that the service planning process be linked effectively to the budget process. The Council now has a three year revenue budget strategy and capital strategy based on the following principles recommended by the Audit Commission

- Open - giving the public a greater say in the planning of services
- Anticipatory - establishing and evaluating options for future service provision, based on a careful assessment of community needs
- Intelligent - providing information that supports a number of purposes from decision making to performance review
- Coherent - bringing together planning processes to tackle cross cutting issues in a client focused way
- Action orientated - strengthening evaluation and review to monitor the quality of

service delivery and ensure better outcomes for local people.

5.2. For such a process to work effectively it is important to ensure the timetables for planning dovetail with the budget process. To achieve this it is essential that all departments follow the broad timetable for service planning and the budget process set out in **Appendix 6**.

6. The performance plan

6.1. In March each year the Council will publish a summary Best Value performance plan with the full plan being published by the end of June. The contents of the plan are different according to the Comprehensive Performance Assessment score. The Council score at December 2003 is **Good** and this means the plan will be compiled from:

- The corporate plan.
- Outturn data for Best Value Performance Indicators (BVPI's).
- Targets for BVPI's in the current year and subsequent two years.
- Confirmation that the Code of Practice in workforce matters and contracting is being followed.

6.2. The Council's Performance Plan for 2003/2004 and summary for 2004/2005 are attached in **Appendices 7 and 8** respectively.

7. Best Value and other reviews

7.1. Under the original best value legislation there was a requirement to review all services over five years. The Council has completed four years of the original programme covering the majority of its services. Although the requirement to review all services has been removed, **the requirement to deliver Best Value and to review services where this is necessary remains**. Councils will still be inspected by the Audit Commission and other agencies but to a level proportionate to the category of performance from the Comprehensive Performance Assessment score. This score will be refreshed again in December 2004 and a full inspection, under revised CPA guidelines, is anticipated from 2005 onwards.

7.2. The need for Best Value reviews will take into account:

- The completed programme of reviews
- The annual review of performance and the CPA refreshment
- Identified areas for review where step change may be required – informed by the corporate plan
- Areas for potential review if other improvement initiatives are unsuccessful
- Major areas not yet subject to a Best Value review
- Other change programmes taking place or proposed, including special reviews by members.

7.3. The need for a programme will be reviewed each autumn. In these reviews we will continue to:

- Demonstrate that we have **challenged** whether we should be providing the service in the light of the council's aims and objectives.
- Demonstrate we have **consulted** regularly with users and non-users of the service to assess opinion and levels of satisfaction and acted in response to their views.
- Demonstrate that we regularly **compare** our performance over time, with other similar Councils' and with other potential providers of the service and have responded as a result of the findings.
- Demonstrate that in procuring the services appropriate approaches to **Competition** have been used to ensure the authority is achieving value for money.

7.4. A set of guidelines for Best Value reviews has been produced and this is shown at **Appendix 9**

7.5. Other forms of review will be necessary to achieve improvement. These may follow on from best value reviews where the improvement plan impacts on the organisational structure of the Council. Others will originate to deal with specific value for money issues, procurement or other strategic or operational problem.

7.6. The policies on the 4Cs of challenge, consult, compare and compete are set out at **Appendix 10**

8. Trading agreements

8.1. Some Business units will be involved in internal trading arrangements. The corporate trading agreement and a list of trading units are shown at **Appendix 11**. The agreements should be driven by the 'buyers' and seek to improve internal service and value for money. They should be produced in accordance with agreed timescales and corporate processes.

9. Voluntary sector contracts

9.1. Some business units will be involved in the purchase of services or the allocation of grants to voluntary sector organizations. Where this is the case a voluntary sector contract must be agreed and put into place. A copy of this agreement can be obtained from Legal Services.

10. Procurement

- 10.1. The Office of the Deputy Prime Minister (ODPM) Circular 03/2003 states that best practice in procurement is not just a choice between in-house or traditional outsourcing but needs to consider many other options, including the voluntary sector and partnerships with private and public sector.
- 10.2. The National Procurement Strategy states: “Procurement is the process of acquiring goods, works and services, covering both acquisition from third parties and from in-house providers. The process spans the whole cycle from identification of needs, through to the end of a services contract or the end of the useful life of an asset. It involves options appraisal and the critical “make or buy” decision which may result in the provision of services in-house in appropriate circumstances”.
- 10.3. The draft Policy starts with a presumption that, as part of the performance management activities undertaken in Departments, option appraisals will have been completed by use of the Procurement Toolkit methodology. It then seeks to identify when it would be appropriate to provide services in-house for policy reasons. Once approved, it will create a proper methodology for determining whether or not services should be provided externally or internally.
- 10.4. The Corporate Procurement Improvement Plan envisages the development of a medium term procurement plan, which will identify what we intend to buy over the next three years or so.
- 10.5. When the medium term plan is considered, the policy will be used to identify what services should/should not be market tested. Consequently, it is essential that we get this right. The Policy is detailed in **Appendix 12**.

11. Project management

- 11.1. Project management standards have been produced to assist Leicester City Council standardise procedures and manage major projects effectively. The principles apply to all projects, regardless of scale. Project Management Training will be provided for Project Directors and Project Managers to ensure a corporate approach is adopted. They have been developed following consultation with all Council Departments and build on the examples of good practice existing within the Council and elsewhere. These standards must be used for all major projects. They provide a basis of good practice. They should be regarded as minimum standards and are intended to be used alongside additional guidance, which may be relevant to specific projects, for example funding criteria relating to successful inward investment. These standards are shown at **Appendix 13**.

12. Risk Management

12.1. Risk management is a concept that has gained increased focus and profile within the Public Sector with the underlying aim of improving performance. In a strategic context a useful definition is:

- 'The identification, analysis and economic control of those risks which can impact on the Council's ability to deliver its priorities and objectives'.

12.2. The purpose of Risk Management is not to remove all risk, rather it is to make sure that losses are prevented or minimised and that 'rewards are maximised'. In a nutshell, Risk Management is a tool through which the Council can:

- Minimise the chances of things going wrong and/or.
- Reduce the consequences if things do go wrong

12.3. Risk Management is not about risk avoidance. It is about taking informed decisions about risk, and actively managing risks we decide to take. Risk Management is part of the Council's wider approach to corporate governance. The Council's health and safety procedures are an element of risk management, but are subject to their own processes for managing risk. The risk management policy is shown at **Appendix 14**.

13. Performance Assessment Processes

13.1. **Comprehensive Performance Assessment (CPA)**, the Government introduced this in 2002, which scores the performance of services and the Council's management ability. The initial full assessment is followed up with annual refreshments, mainly of the service score. The scoring is a fairly complex process that takes into account the results of inspections, audits, performance indicators and for the full assessment an on site inspection. It is this process above all that secures the reputation of the Council in the eyes of others, especially central government. Success leads to freedoms and flexibilities, failure leads ultimately to intervention by central government. The CPA framework was revised in 2005/06.

13.2. **Performance indicators** are used by the Council to set targets and assess achievement over time and in comparison with others. The national indicators are:

- Best Value
- Performance Assessment Framework - Social Care & Health/Carefirst
- Quality Protects

13.3. There are other local indicators and alongside the national ones are contained in the Council's Intranet database along with the performance data.

13.4. **Standards** are applied by the Council in the following areas:

- Libraries (national)
- Customer care (local)
- Complaints
- Officer and Member conduct

13.5. **Public service agreements (PSA's)** are voluntary agreements between central and local government. They result in more government funding if public services achieve improved results in certain key areas. The aim is to achieve a better outcome for local people than if there had been no PSA. The Council's PSA was signed in July 2002 and runs until March 2005. This PSA is made up of twelve targets from a list of 35 central government targets which are prioritised for local people. Targets have been negotiated with partners and reflect the overall goals of the Community Plan. A second round of PSA's is currently underway and the Council is putting together an application. This round is more about local priorities,

13.6. **Audit, inspection and assessment of plans** is increasingly being carried out proportionate to risk and broadly the higher score the Council achieves under the CPA the less will be required. The Audit Commission have set a shelf life of three years for inspections feeding into their assessments of the CPA service blocks. Audits and inspections result in the Council developing action plans to address any weaknesses identified. So these inspections provide an important source of feedback on performance and so progress towards an excellent Council under the CPA. We are currently subject to the following auditors and inspectorates:

- Internal Audit
- External auditors from the Audit Commission
- Ofsted
- Adult education inspectorate
- Schools inspectorate
- Benefit fraud
- Best Value
- Social Services
- Housing
- Etc.

13.7. Various plans are subject to external assessment and these include:

- Housing plan
- Libraries plan
- Transport plan

13.8. **External accreditation schemes** of different sorts are used through the Council to cover specific services or cross cutting activities. The performance management framework does not define which ones should be used and in what circumstances, this a decision for the manager or lead officer concerned.

Nevertheless these various accreditation schemes form part of the overall framework.
The list below illustrates the main schemes in use:

- The Equality Standard (also a Best Value performance indicator)
- Investors in people
- Environmental Management Audit Scheme (EMAS)
- ISO 9000
- Lexcel - Legal services

14. Monitoring of Performance

14.1. The broad arrangements are set out in the table below:

Report/event	Reported to						When
	Council	Cabinet	Scrutiny	Corporate Directors	Strategic Resources Group	Dept. Mgt. Teams	
Best Value Performance Plan	√	√	√	√	√		July
Comprehensive performance refreshment		√	√	√	√		Feb.
Internal performance comparison: Covers: BVPI's and Key local indicators, CPA, Community Plan and PSA		√	√	√	√		July to Aug.
External performance comparison		√	√	√	√		Jan.
Performance meeting between Chief Executive and Corporate Directors							Dec. to Jan.
Progress on actions							June
Departmental monitoring						√	Quarterly
Annual audit management letter		√	√	√	√		March
Internal audit - annual report			√	√	√		Aug./ Sept.
PSA monitoring					√		Quarterly
Best Value reviews – implementation monitoring		√	√		√		Quarterly
Budget					√		Quarterly
Complaints			√		√		Six monthly
Social Care & Health – Delivery & improvement Statement		√	√		√		Spring each year

Leicester City Council strategic improvement programme



