

**REPORT TO: POLICY AND RESOURCES COMMITTEE - 10 FEBRUARY 2003**

**REPORT ON: CORPORATE PLANNING**

**REPORT BY: DIRECTOR OF CORPORATE PLANNING**

**REPORT NO: 34-2003**

## **1. PURPOSE OF REPORT**

This report sets out a framework for developing the next Council Plan, Service Planning and Best Value for 2003-2007 period.

## **2 RECOMMENDATIONS**

2.1 The Director of Corporate Planning commences a consultation process for the next Corporate Plan for presentation to the Council by September 2003.

2.2 Directors should begin to develop their Department's strategic priorities to be included in new Service Plans for final approval after the local elections in 2003.

2.3 The Corporate Planning Manager and the Director of Finance issue guidance on Service Plan requirements by March 2003.

2.4 The Director of Corporate Planning to integrate a new Best Value Plan into the Council Plan 2003-2007.

## **3 FINANCIAL IMPLICATIONS**

The Corporate and Service Planning documents will need to be integrated with three year revenue budget and the Capital Plan.

## **4 LOCAL AGENDA 21 IMPLICATIONS**

The planning framework will contribute to a sustainable policy, partnerships and performance.

## **5 EQUAL OPPORTUNITIES IMPLICATIONS**

The Council Plan will further the Council's equal opportunities policies.

## **6 BACKGROUND AND CONTEXT**

6.1 The Council Plan and Departmental Service Plans and the Best Value Plan are all due for renewal. The plans were intended to run co-terminously with the Local Government electoral cycle but the 2002 election date was postponed till 2003. It makes sense to maintain the link with an elected administration's term of office. The lead up to an election is an appropriate time to review the core plans of the Council.

6.2 This reports sets out the key issues in drafting a new Council/Service Planning and Performance Management Framework. The fundamental requirements are:

- Leaders in the Authority can express a clear strategic direction
- There is a common language for the core information to facilitate communication with elected members and other stakeholders

- The key performance indicators and targets are published to facilitate accountability and performance management systems
- 6.3 The context on which these plans are drafted and agreed starts with an assessment of the strategic environment. Current environmental pressures are reflected in the following list:
- Modernising Government
    - Focus on Customer Service and Joining Up Services
    - Best Value
    - Renewing Democracy
  - Community Plan cross cutting themes
    - Working and Learning
    - Health and Care
    - Building Stronger Communities
    - Caring for the Environment
    - Community Safety
  - Financial sustainability
- 6.4 The above is not meant to be an exhaustive list but captures the overall environment facing the Council. The aim in establishing new plans is not to add to the volume of plans but to spell out the way forward and signal priorities. This time around is another opportunity to improve the plans' links to budgeting, project management and managerial accountability.
- 6.5 It is expected that managers in departments need to produce plans for different circumstances e.g. to fit in with national frameworks. Managers may also want to apply different models to suit their specific professional culture. Therefore the core plans aim to meet the key corporate requirements only.
- 6.6 The key corporate requirements are:
- Agreed Council wide objectives and outcomes
  - Corporate leadership statement on Vision and Values
  - Corporate and service level performance targets to measure achievement and continuous improvement
  - Public Performance Reporting/Accountability
  - Promote joined up planning on cross cutting issues

These can be fulfilled by:

- A Council Plan
- Service Plans
- Three year budget and capital plan
- Continuous Improvement model and programme (e.g. EFQM Self Assessment)
- Strategic Reviews

## **7 THE COUNCIL PLAN 2003-2007**

- 7.1 It is proposed that much of the analysis that normally proceeds a Council Plan exists in the Community Plan. Therefore the new Council Plan should focus on the specific priority objectives and projects that promote delivery of the Community Plan.
- 7.2 By taking the Community Plan as a starting point the Council Plan development process can focus on specific actions and projects to deliver results. This could more directly lead to specific projects that are allocated a project manager and integrated with the three year budget. For each of the themes listed in paragraph 6.3 cross-departmental and agency groups are working on action plans.
- 7.3 The Council Plan should also reflect any structural changes consistent with the vision and values expressed in it.
- 7.4 The Director of Finance has indicated that the three-year revenue budget is accurate to 2003-2004. Budgets following this are subject to receiving new information from both central government and council departments. To ensure integration with the forward budgets and the council and service plans clear information about changes and new projects would need to be considered.
- 7.4 It is proposed that the Director of Corporate Planning commence a consultative process for drafting a new Council Plan. The aim will be to produce a draft document for public consultation in June.

## **8 DEPARTMENTAL SERVICE PLANS**

Departmental Service Plans are strategic statements of direction and a core performance management document. The existing format in reporting to committees aims to capture the key data on:

- strategic direction
  - key objectives, indicators and targets
  - best value reviews
  - three year budget
  - capital plan investments in the service
- 8.2 The service plans were set for individual services that are cost centres in the revenue budget. This aids delegated performance management.
- 8.3 It is proposed that the current format remain broadly the same but with the following changes:
- the strategic direction statement be expanded to cover how the department's strategic direction fits with the Community Plan and key council plan projects
  - guidance be issued to ensure that the key performance indicators covers the results side of the EFQM model i.e. key performance and quality measures, customer and employee satisfaction measures and impact on society measures
  - guidance be issued on integrating three year and capital budgets with the service plan
  - guidance be issued on a further section of the plan itemising what key projects and programmes are being introduced to deliver the targets set

8.4 The above additions reflect the focus on results, use of the EFQM model and an observation by the External Auditor that service plans lacked sufficient detail of the actions proposed and leadership direction.

8.5 It is proposed that the Corporate Planning Manager and the Director of Finance prepare the relevant guidance notes for Departmental Management Teams by March.

## 9 **BEST VALUE CONTINUOUS IMPROVEMENT**

9.1 The Council's Best Value Plan also needs to be updated. It is proposed that the requirement for each Director to list a programme of Best Value Reviews at a service level will be replaced by a focus on a small number of corporately selected Best Value Reviews.

9.2 These reviews may be Member/Officer groups or Officer only. They will be selected on the basis of a strategic justification for holding a review. The following criterion were examples of reasons for calling a review:

- Strategic issue
- Cross cutting theme with joined up reconfiguration options
- Key performance issue or competitiveness issue
- Need for significant capital investment

9.3 The current programme of such reviews is:

- Member/Officer group on staffing
- Member/Officer group on energy efficiency
- Member/Officer group on housing response repairs
- Officer group on non housing property repairs

9.4 The previous programme of reviews on a service by service basis will cease. Reviews from the original programme still in progress should aim to conclude no later than March 2003. Corporate Planning will continue to monitor implementation of recommendations in completed reviews until a review is 18 months beyond committee approval. The review programme to date has been a significant achievement. Appendix 1 is a corporate overview of the Best Value Review programme.

9.5 To fulfil the need for a framework for continuous improvement it is proposed that each Department continue to develop its approach on self assessment using the EFQM model. Departments that have put resources into the process have found it helpful in making improvements, involving staff and securing positive feedback from external inspections. EFQM provides a measurable way to achieve continuous improvement and quality management.

9.6 It is proposed that Corporate Planning along with the Director of Personnel and Management Services will organise seminars and training resources to support EFQM self assessment.

9.7 It is also proposed that the EFQM model be used in support for preparing Council and Service Plans.

9.8 A proposed Best Value strategy will be included in the draft Council Plan. For example, a method to select new reviews and a framework for reporting performance in line with the Corporate Governance Framework adopted by the Council.

10     **CONSULTATIONS**

All Directors have been consulted on this report.

11     **BACKGROUND PAPERS**

Public Performance Report (Report No 642-2002), Policy and Resources Committee, 9 September 2002.

Council Plan 1999/2002 - Progress Towards Achieving Targets (Report 499-2002), Policy and Resources Committee, 10 June 2002.

Chris Ward  
Director of Corporate Planning

3 February 2003

## **BEST VALUE/BUSINESS PROCESSES**

### **BEST VALUE REVIEWS**

#### **Introduction**

Dundee City Council has so far approved the outcomes of 116 best value reviews, covering services across the full range of Council activities. A number of further reviews are now being finalised as the Council moves towards completing a comprehensive programme of individual service reviews.

Each review has been conducted by a Review Team (including a Team Leader from an outside department such as Corporate Planning, Management Services or Finance, as well as key staff from the department concerned.) All reviews have been conducted using a standard process which included:

- defining the service to be reviewed, including the key areas of work and the staff involved
- identifying critical success factors through consultation with stakeholders and customers
- reviewing performance, including analysis of costs, quality indicators and customer satisfaction surveys
- making comparisons, including use of market testing, benchmarking and pilot studies as appropriate
- appraising options for delivery of the service, including in-house improvements, partnerships and outsourcing
- agreeing proposals for continuous improvements, including performance targets

#### **Stakeholder impact**

814 specific proposals for continuous improvement have been identified in the reviews completed to date. Most of these are directly related to improving service delivery from the perspective of stakeholders and customers. In addition, the process of conducting reviews has contributed to the development of a performance culture throughout the Council, with a high level of commitment to stakeholder consultation, target setting and performance monitoring. The impact on service delivery is reflected in the Council's statutory performance indicators. In 1999/2000, Dundee had the 2<sup>nd</sup> highest Audit Scotland Improvement Rating with a plus 13 rating of performance indicators that had improved by more than 5% over one year. This continued in 2000 with a plus 5 rating.

#### **Improved use of resources**

Annual revenue savings generated by the reviews completed to date are estimated at **£2.959** million. In addition, many reviews have led to more effective use of existing resources. Some reviews have allowed issues such as outdated bonus systems to be addressed.

### **Improved internal management processes**

Crucially, a system has been put in place to ensure that the results of best value reviews are followed through. The key points from each review are summarised in a database, and this is also used to record updates from departments which are requested six months after completion of the review, then a further year on. Where reviews identify a need for ongoing monitoring of performance, this is included in departmental service plans.

### **Improved learning and development**

Training was provided for all Best Value Review Teams in the process of conducting reviews, in writing up review reports and in the techniques required during the review as required. For many staff, involvement with a best value review may have been the first time they had taken a structured approach to performance review, benchmarking, consultation, option appraisal and process improvement.

### **BUSINESS EXCELLENCE**

The Council is committed to using the European Foundation for Quality Management's Business Excellence Model. As the programme of best value reviews for individual services nears completion, the Council will pursue continuous improvement through a requirement on departments to carry out a self-assessment using the Excellence Model. This involves carrying out a systematic review of leadership, people management, policy and strategy, resources and processes, analysing trends in results including business achievements and customer satisfaction, and comparing performance with best practice elsewhere. Training and consultancy support will be in place to promote the effective use of the Model.