

COMMITTEE: Resources and Governance Overview and Scrutiny Committee

DATE: 21st June 2007

REPORT OF: The Chief Executive

SUBJECT: CPA Corporate Performance Assessment: Implementation of Improvement Measures.

PURPOSE OF REPORT

To update Members on the implementation of improvement measures, following the Comprehensive Performance Assessment, Corporate Assessment, of the Council in August 2006.

RECOMMENDATION

That this report be noted.

FINANCIAL CONSEQUENCES FOR THE REVENUE AND CAPITAL BUDGETS

None.

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BACKGROUND DOCUMENTS

Report to the Finance and General Purposes Overview and Scrutiny Committee - CPA Corporate Assessment Result September 2006

WARDS AFFECTED

All.

1. **Background**

- 1.1 This report further updates Members on the Council's progress since the Corporate Performance Assessment, Corporate Assessment, of the Council in August 2006.
- 1.2 The areas for improvement identified in the inspection are summarised below:
- (a) To ensure that the benefits of the continued economic growth of the city can be fully enjoyed by its most disadvantaged communities;
 - (b) To respond effectively to these challenges the Council must ensure that its own improvement programme (MIP) is robustly managed to achieve its objectives;
 - (c) In order that the Council can achieve its priority of equipping the workforce of the future with the education and skills to take advantage of the opportunities, jobs and prosperity created in the city the Council needs to address the underperformance of the Manchester Education Partnership and continue to drive up improvements in the educational attainment of its children in schools;
 - (d) The Council with its partners needs to improve the systems and frameworks for monitoring and evaluating health outcomes, particularly for BME communities;
 - (e) A more consistent and systematic approach to managing performance to add rigour and ensure that a culture of challenge and continuous improvement is embedded throughout the organisation (the only theme to score two – adequate performance – in the CPA).
 - (f) To ensure that the ambitions for transformation within the Council and its partnership can be achieved the Council needs to continue to modernise its human resources strategies.

2. **Progress**

- 2.1 Much progress has been made since the Corporate Assessment. In its annual letter to the Council, the Audit Commission wrote:

“Manchester has continued to improve the way it works in 2006.. this has been a year of positive progress for the Council... the Council is well led and managed and is providing improved services, although sometimes from a low base... User satisfaction with the Council and its services is high... Manchester continues to drive fundamental improvements to services through a well-prioritised improvement programme and is working hard to improve the value for money of its services”.

- 2.2 The Council has been working hard to build on this success and make sure that local people continue to benefit from the city's economic success, wherever they work or live or whatever their needs are.

- 2.3 Our priority is to make sure that the lives and opportunities of local people are enriched and improved. To do this we need to ensure that we have the capacity to continue to deliver improved services that are responsive and flexible to meet different users' needs and that those services are of high quality, provide maximum value for money and are deliverable.
- 2.4 The Council has developed a coherent and considered package of improvements that aim to ensure the maximum benefit is delivered for local people. A series of actions in an action plan will not deliver this. Continuous improvement will need to be delivered on an on-going basis. How we are improving our capacity to deliver on this over the medium term is a core strategy and programme of work for the Council, and it is set out in the Corporate Plan.
- 2.5 We are making good progress in managing and improving our capacity to deliver within available resources.
- Local people's needs and well-being and enabling them to engage in and benefit from the city's success must be at the heart of what we do and a focus of our community leadership role. A review of the Manchester Partnership (MP), and local planning structures and the services involved in those is currently underway. This includes a review of the Manchester Partnership management structures, the strengthening of district working, joint planning and commissioning arrangements, and focus on an evidence based approach to understanding and responding to the complex picture of needs at a local level.
 - We have improved our capacity to focus on delivering excellent and responsive services to local people. A more robust and integrated strategic planning framework is now in place for the Council, including new business planning and performance management arrangements – which were positively received in the Audit Commission annual letter. This framework integrates service and neighbourhood based planning and creates clarity over what we need to deliver and how we will deliver it.
 - Better informed business planning and budget setting decisions are being made as services develop a better understanding of their value for money. The Audit Commission said “The Council provides adequate value for money from its services and is now making a sustained commitment to improving this”. In a recent assessment of the Council's effectiveness of its use of resources, including value for money, we achieved two out of four. The Council also scored an assessment of three on the overall strength of our financial position and there is a good track record of management of expenditure within available resources.

- The Audit Commission is completing an audit of the Council's risk management arrangements. Initial indications are favourable and show that the Council is making good progress. The Audit Committee's role in the scrutiny of our systems of internal control is continually improving our approach. Our prospects for success have improved through a sustained focus by the Council on understanding and mitigating the risks to delivering quality services within budget, through its integration with performance management, finance and human resources in the business planning process. This is being scrutinised and managed by the new Corporate Support Team.
- The Audit Commission commented positively on the management of the MIP and the impact it is having on the Council, following a review of MIP from January to March this year. Conclusions include
 - "Overall the MIP is being managed effectively to provide economy, efficiency and effectiveness. This is evidenced by the strengthening of the MIP team, the improved reporting, accuracy of information, reduction in consultants, transfer of skills, the increased support to service areas, the re-introduction of budget monitoring of MIP support and the options considered for ESCR", and
 - "The two tracers chosen, Procurement and Manchester Education Partnership, are being managed effectively. There is excellent stakeholder engagement throughout the process, accurate and timely reporting and a clarity of their part in the overall MIP initiative. Communications on MEP is a particular strength with tough messages being handled sensitively. Based on the evidence to date, both projects should deliver significant savings and more efficient processes for the Council."
- Good progress is being made towards delivery priorities in the Service Improvement Projects including Access Manchester, Back Office, Integrated Neighbourhood Services, Integrated Children's Services and Integrated Information Strategy. Actions being taken to reduce costs and improve performance in the Manchester Education Partnership include the establishment of an interim management team and the identification of priority areas to form the management programme. The priority for the Council is to ensure that children have access to the highest quality of learning and that children's attainment results improve. The rate of improvement in key areas of Manchester's educational attainment has been better than the national average, although there is still a long way to go.
- The Council's commitment to improving its leadership capacity, embedding it at all levels, and to developing its workforce to deliver high quality services, is being realised through the establishment of

a Wider Leadership Team, enabling leadership responsibility to be more distributed through the organisation and the delivery of the People Strategy. Through the People Strategy, work is taking place to develop the framework for delivery. Work is also taking place to ensure that we have a better representation of Black Minority Ethnic (BME) leaders in senior positions.

- The Audit Commission in its recent review positively received progress towards Agenda 2010 in April 2007. Agenda 2010 establishes a vision to close the gap between black and ethnic minority communities and the City as a whole on the key areas. At the same time we will be working to close the gap on these issues between Manchester and the rest of the country. It is vital that we understand the impact of our actions on health across the Manchester Partnership so that we can target areas for improvement. New approaches have been developed to improve the systems for monitoring and evaluating health outcomes, including for BME communities and the recording of service usage by ethnicity will be strengthened through new commissioning and contracting processes

3. Future work

3.1 Much has been achieved, but there is more to do to improve outcomes. Our continuing area of focus includes: -

- Further improving financial management and delivering challenging efficiency targets and improved value for money;
- Developing business planning to ensure that all services are focused on the priorities for the Council and the city, and that resources are allocated effectively;
- Improving management of services through better risk management and workforce planning;
- Building on existing leadership development programmes to ensure that the Council has the right skills for delivering high quality services now and in the future;
- Strengthening partnership working across the city and within neighbourhoods.

3.2 Work has been undertaken with previous Chairs of Overview and Scrutiny looking at how the performance management role of overview and scrutiny could be enhanced. The Chairs received presentations from Officers and the Audit Commission on processes applied in other councils. Members will also be aware of the proposals within the recent Local Government White paper regarding greater powers for scrutinising the performance of partners and the new "community call for action" allowing individual members raise local issues through the overview and scrutiny process. Further work is planned for the current

year engaging overview and scrutiny members in improving the performance management of the Council and its partners.