

APPENDIX D

Corporate Assessment of the Council – Agenda Item 9

Rationale for the creation of the post of Head of Strategic Planning, Performance and Policy.

At the meeting of 14th May Performance Resources and Assets Scrutiny made the following request in respect of the above post.

- Resolved:**
- (i) That the Audit Commission's Corporate Assessment of the Council be noted.
 - (ii) That the Executive be advised that the Performance, Resources and Assets Scrutiny Committee were not yet persuaded of the need for the extra post of Head of Strategic Planning, Policy and Performance Management as recommended by the Chief Executive.
 - (iii) That the Chief Executive be requested to submit a report to the 2nd June 2008 meeting of the Executive explaining:
 - (a) How the proposed post of the Head of Strategic Planning, Policy and Performance Management relates to the performance management function carried out by Departmental Resources and Performance units.
 - (b) The responsibilities of members of CLMT (Corporate Leadership and Management Team) in regard to performance management responsibilities within their Directorates

Chief Executive's response.

Background

1. As part of a previous budget round the post of Head of Policy and Performance was deleted and the functions temporarily combined with the Scrutiny and equalities team within the Chief Executive's department. The Director of Scrutiny agreed to take on this additional responsibility whilst the viability of this approach was tested. We have reviewed this position in the light of the information set out below.

2. The Local Government and Public Involvement in Health Act 2007 brings about significant changes in the way Councils are asked to operate with particular implications for neighbourhood governance and scrutiny including new arrangements for Health Scrutiny. The Act will require the Council to review a number of aspects of our ways of working and this will require senior leadership in the organisation at least for the next 12 –18 months.
3. We must also respond to the introduction of the new Comprehensive Area Assessment and the need to produce a new Corporate Plan linked to the Sustainable Communities Strategy and the Local Area Agreement. In these circumstances it is the clear recommendation of the Chief executive that more resources need to be devoted to this area of work if Luton is to remain a 3 star rated authority and has any aspiration to be excellent.
4. The recent Corporate Assessment of the Council indicated that ‘.. performance management overall is only adequate. This is because the Council does not monitor progress against its priority objectivesIn addition the Local Strategic Partnership is not effectively managing performance’. Furthermore they recommended ‘ The Council needs to strengthen corporate and LSP performance management’.
5. The conclusions of the Audit Commission were as expected as for over 18 months the Chief Executive had been working on a robust quarterly performance monitoring system monitoring which was not yet providing the basis for robust performance management within the Council leading to improved services for our customers. A major barrier has been the lack of senior management capacity within the Chief executive’s department to drive this work forward on a day to day basis.
6. The Chief Executive has taken into account existing performance management roles, resources and responsibilities in making his recommendation. Whilst the CAA and the LAA form the main elements of the new performance management arrangements with central government there are still substantial requirements from other national agencies for performance data. These include the extensive Performance Assessment Framework for adult social services; extensive data collection requirements from the Department for Children Schools and Families; collection of waste and other key data in Environment and Regeneration and other various key indicators in Customer and Corporate services. The Council also has a need to maintain up to date population and other statistics which influence the

levels of grant and other funding received by the Council. In addition to the LAA system Chief Executive's department will also have to collect and analyse the 198 national indicators from departments and other partners.

7. This is a substantial workload currently managed through performance teams in the 3 main service departments, the Research and Statistics unit in E&R and 2 posts located in the Chief Executive's Policy and Performance team. This is also the only resource available to the Chief Executive for policy work and the production of the Corporate plan with the associated management and coordination of the service planning framework.
8. The effective management of the collection and use of performance data and the development of robust plans are critical to the success of the Council.
9. Corporate Directors all have a performance management role. That role cannot be discharged without the collection and analysis of robust performance and other information. The data produced by the departmental teams is used by the Corporate Directors to performance manage staff through appraisals, monthly performance reviews at departmental management team meetings and in some departments performance management boards. Without the production of the data it is not possible for Corporate Directors to both performance manage and account for their departments performance to the council and other agencies.
10. The Chief Executive's view is that there are two options for the council in view of the above position. One would be to utilise the current resources as a virtual Council network. This is the current approach and works well when there is robust senior leadership in the corporate centre. Given the current demands on the Director of Scrutiny it is unreasonable to expect this from him. There is no other senior management post to provide this day to day management and to support the Chief Executive and the portfolio holder in monitoring and managing performance. The second option would be to centralise the departmental resources and for a single unit. Such an option would still require senior leadership and a Head of Service and will require significant scoping. This option will in due course be explored by Luton Excellence to see if lean principles can make this more efficient. In the meantime however departmental resources are fully occupied supporting the Corporate Directors to meet the statutory and other demands for performance data. The risks of disrupting these processes until we are clear as to how they will be met through any different system are very high and would be advised against by the

Chief Executive and as a minimum the two statutory Directors for Adult and Children's services.

11. The Chief Executive therefore concludes that the Council requires a senior post to take the overall lead for Strategic Planning, Policy, and Performance. He further recommends that this post can in time be responsible for these services and those currently the responsibility of the Director of Scrutiny. However the extra work required by the LGPIH as outlined above in paragraph 2 will also require senior leadership over the next year or so. The current Director of Scrutiny is well qualified to lead on this work. The Chief Executive has also reviewed to age profile of staff within his department and concluded (following discussions with relevant staff) that there is a clear value for money case for retaining both the Director of Scrutiny post for a year or so whilst recommending that the Head of Strategic Planning, Policy and Performance take over the functions of that post in due course. The proposal is therefore cost and staffing numbers neutral in the long term and represents an efficiency in that two sections of the Chief Executive's department will be managed by one Head of service as opposed to two when he joined the Council.