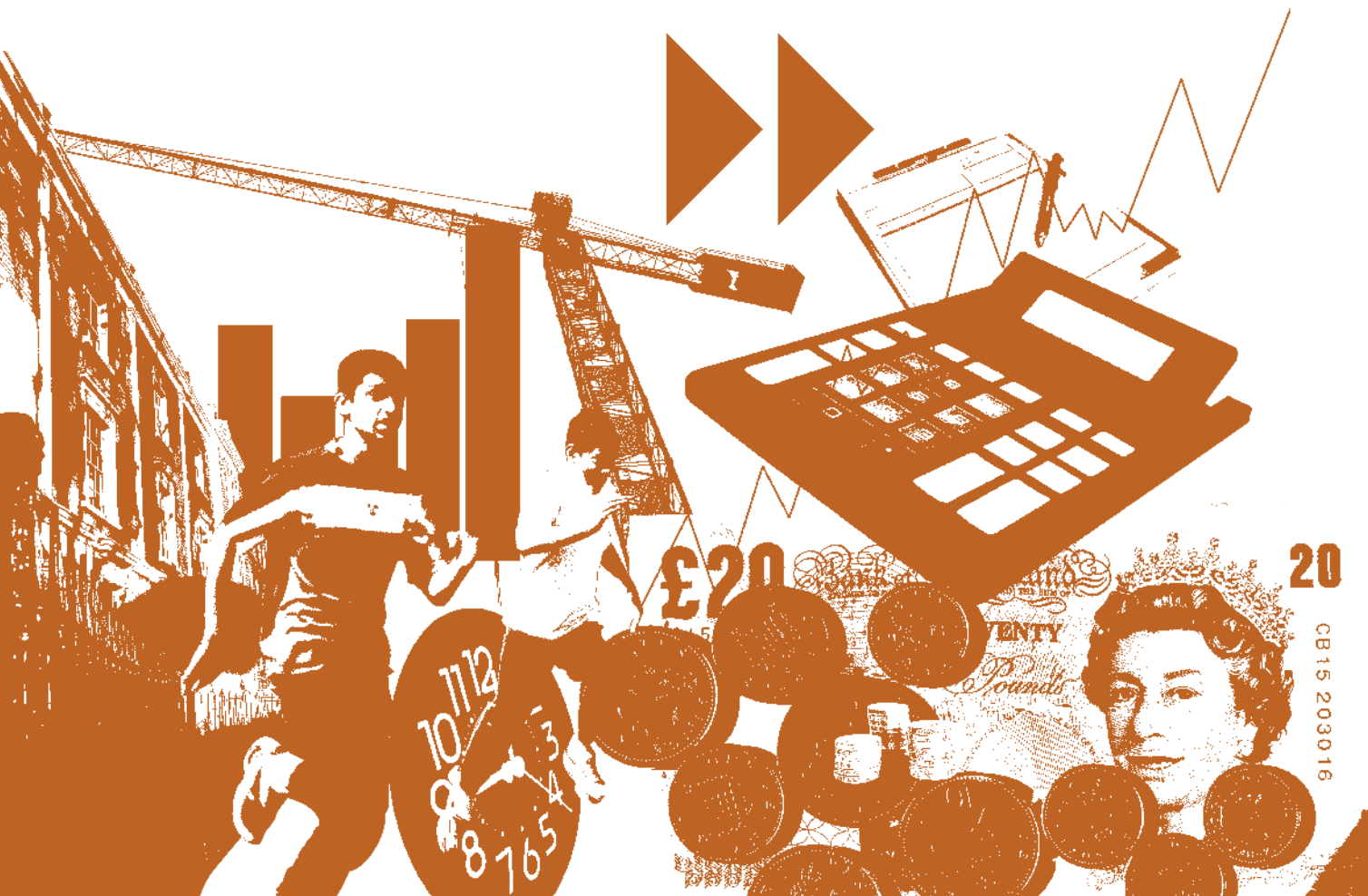


The Audit Commission declared Lewisham to be a three star council which is 'improving well'. Both the star rating and the statement of improvement underline the consistent progress Lewisham is making in its performance – even against much more demanding standards of assessment.



Chapter 3

Performance management and the comprehensive performance assessment (CPA)

Lewisham and the CPA

The CPA for local government is now in its fourth year. In June 2005, the Audit Commission, which manages the CPA, published details of a revised framework, opening the way for a much tougher test of local government performance. Fundamentally, the new framework will continue to focus on a corporate and service element. However, under the revised arrangements councils must be able to demonstrate clear evidence of outcomes and continuous improvement. As part of this, a separate judgement on value for money has been introduced for the first time, whilst various rules and standards have also been introduced to ensure that individual and overall improvements to service scores are much more difficult to achieve.

Other changes have seen the categorisation of councils, on an 'excellent' to 'poor' scale, replaced by a star rating (with 4 being the highest and 0 the lowest). Alongside this, a 'direction of travel statement' has also been introduced, which describes each council's improvement on a scale of 'improving strongly' to 'not improving adequately'.

Under this tougher test, the Audit Commission declared Lewisham to be a three star council which is 'improving well'. Both the star rating and the statement of improvement underline the consistent progress Lewisham is making in its performance – even against much more demanding standards of assessment.

At present, the Council is working on an action plan to prepare the authority for the next CPA corporate inspection, scheduled to take place during 2007. The corporate inspection, which has also been revised and updated will look at the Council's community leadership role in an effort to assess how our understanding of local issues informs the decisions we take to make Lewisham the best place it can be. The last corporate assessment took place in 2002.

Lewisham has a well-established performance management system, which was awarded the maximum score in the last CPA corporate assessment. At the foundation of our work on performance management is the 'golden thread' planning process, which helps the organisation maintain a strong link between the high-level priorities of the Council and the work of individual members of staff.



Lewisham's approach to performance management is based on reporting accurate information at appropriate times during the year. Monitoring of monthly key performance indicators (KPIs) allows directors to respond quickly to dips in service, while quarterly reports help members to monitor performance in a wider context. The quarterly reports contain performance data together with an assessment of progress against the Council's major projects, finance, HR and so forth. Annual reports are published for those services which report performance every 12 months (for example, school GCSE examination results are reported each year in August).

Best Value reviews continue to be used to address those service areas in need of fundamental review. Progressively, we are focusing this performance improvement tool in ways that will not only increase the efficiency of the services we provide, but also the fairness with which they are provided. For example, our review into passenger transport commissioning, which reported in 2005, has helped the Council to increase access to services for some of our most vulnerable residents. At the same time, it has also increased the efficient management of passenger transport services for the local taxpayer.

Progress on 'Fast Forward'

In 2005 Lewisham's Chief Executive led on a fundamental review of the Council's service structure and capacity. Entitled 'Fast Forward 2005', the review recognised that the Council operates in an ever-changing environment and therefore needs to be in the best possible position to respond to these changes and maximise the opportunities presented by them. In particular, the following were identified as the key drivers for organisational change:

- the need to deliver a first-class customer service
- the demand for improved operational performance
- the need to adapt further to the mayoral model of local government
- improved service coordination with our public service partners
- the requirement of the Council to reorganise services for children.

Central to 'Fast Forward' is our commitment to a 'One Council' approach. This aims to ensure that each resident can expect the same high level of service no matter which arm of the Council they come in contact with. We believe that our residents should be at the heart of the services we offer.

One of the more visible, and immediate, impacts of 'Fast Forward' can be seen in Lewisham's new directorate structure. In 2005 three new directorates Children & Young People, Customers Services and Community Services, were created to sit alongside those of Regeneration and Resources. The development of this new structure is seen as critical to our ambition to increase co-ordination between services and improve outcomes for local people.

In terms of organisational culture, 'Fast Forward' has led to a rethink and re-evaluation, across the Council, about the skills and attitudes needed in a modern, successful organisation. To move this agenda forward we have established a change programme and various activities are under way to involve staff across the Council in a way that will help embed 'Fast Forward' into the behaviour of the organisation. These activities include directorate and Council-wide events; competency-based leadership and management development programmes; the development with staff of a new culture tool, 'the Lewisham Way', to set out measures of success and evaluate our progress.

Clearly, there is still much more to do and the Council will therefore continue to look at how it operates with a view to responding more rapidly and flexibly to the needs of our ever-changing population.

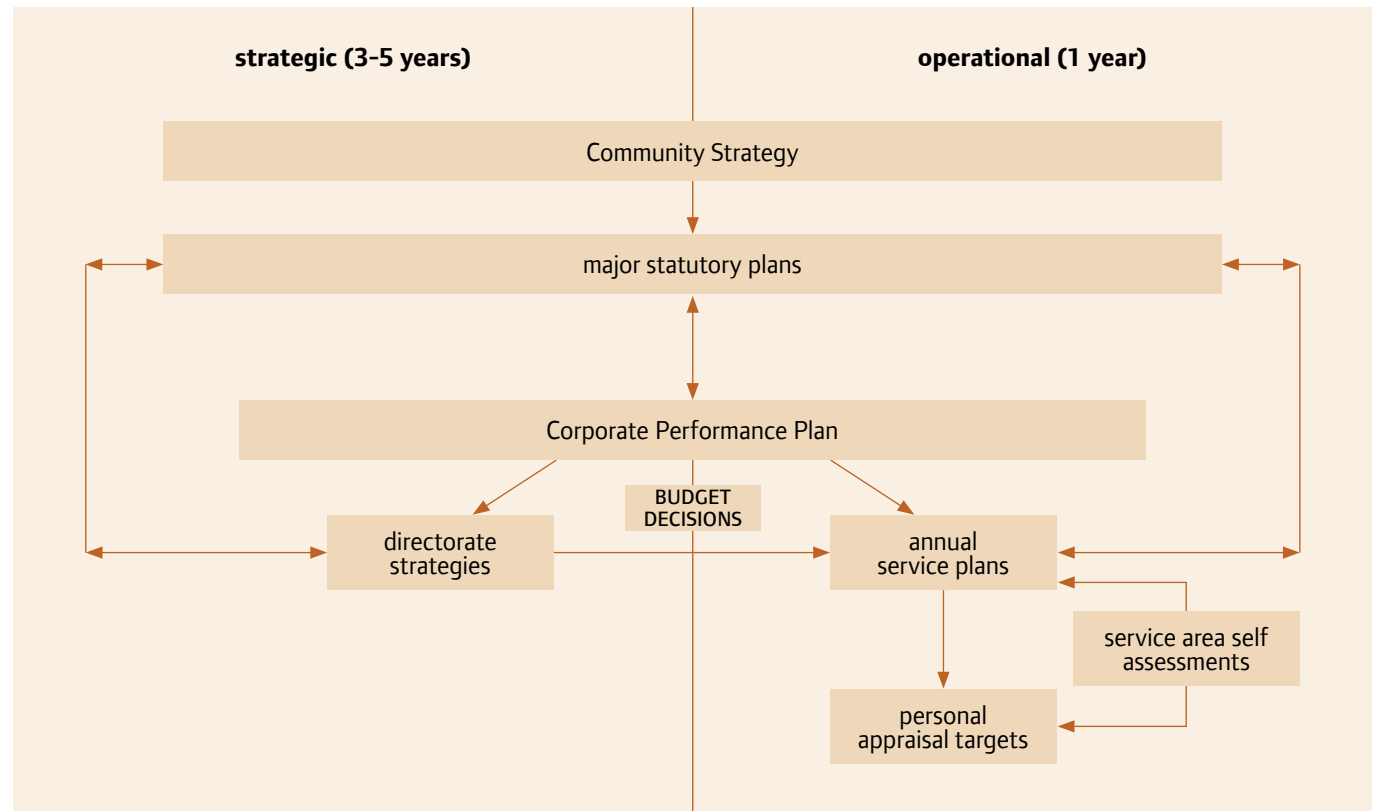
Lewisham's planning framework

This planning framework has been designed to bridge the gap between the Council's strategic planning documents, which operate over a three to five-year period, and operational plans, which are produced annually.

This framework diagram identifies the clear link between strategic documents agreed by the Mayor and elected members and, by way of directorate strategies and annual service plans, the aims of, and services provided by, directorates down to the roles of individual staff, evaluated through the performance evaluation system (PES).

This year the Council has undertaken a review of its strategic planning framework. This review has focused on strengthening the links between directorate strategies, service planning and the Council's budget setting process. As part of this review, directorate vision statements have now been replaced by directorate strategies, which will be a much more effective mechanism for linking strategic priorities to financial planning.

Table 3.1: Lewisham's planning framework

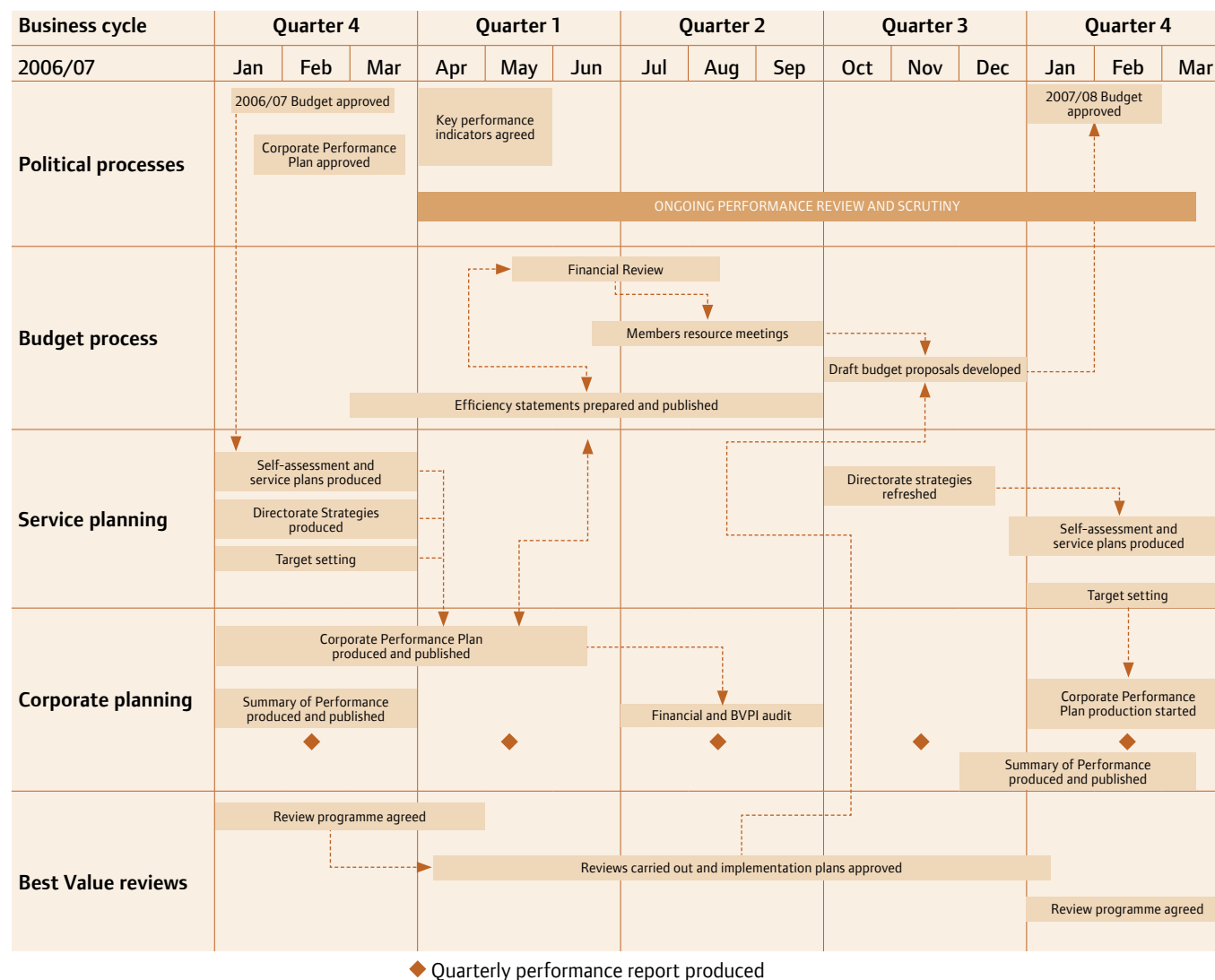


The business cycle

This diagram sets out the annual business cycle, linking the various processes over a 12-month period. In most cycles there is a period of overlap. In order to show this, the diagram illustrates work taking place over a 15-month period. Using this business cycle, the organisation is able to link political and corporate planning processes with the budget round. The timing of Best Value reviews has also been amended to ensure that the outcome of reviews is reflected in the budget for the forthcoming year.

The Council's budget is prepared by Mayor and cabinet and approved by the full council in March. The budget is the financial expression of the Council's policy priorities. Through effective performance management and service planning, the Council is able to track the progress made towards achieving these priorities and use what it learns to inform future budget planning. This ensures that resources can continually be targeted to those areas where they are needed most.

Table 3.2: Business cycle



Best Value Performance and Efficiency reviews

Best Value Performance and Efficiency reviews are a key mechanism for fundamentally changing the way in which we provide services. The reviews ensure that services meet the needs of users in a way that safeguards quality and maximises efficiency. The purpose of the review is to make a very real and positive difference and this is reflected through the involvement of service users, staff and partners in the review process. In 2005/06 the Best Value review programme focused on corporate and cross-cutting reviews – housing needs, financial management and improving efficiency. A summary of the key objectives and expected outcomes of these reviews is set out below:

housing needs

- support development of a modern customer orientated service, with high customer satisfaction levels
- increase customer access to proactive advice and information
- reduce the number of households in temporary accommodation
- increase efficiency in service provision
- improve service performance as measured against national and local standards
- greater engagement with citizens, partners and stakeholders
- greater effort focused on homelessness prevention.

financial management

- develop a structured and consistent approach to establishing, monitoring and managing budgets across all directorates
- improve the efficiency and effectiveness of services under review and identify efficiency gains
- identify processes that could be simplified and implement action to simplify those processes
- propose financial models that would enable the Council to respond effectively to future changes and external influences.

improving efficiency

- simplify processes linked to back office functions
- identify opportunities to share services with other providers and thereby reduce costs associated with their provision
- increase performance effectiveness by focusing on various measures of productivity.

A further review, this time from the 2004/05 programme, asset management, is also ongoing. The expected outcomes of this review are set out below:

asset management

- prepare and implement a strategy and action plan to address immediate problems
- ensure that the condition of our assets meets all statutory requirements (Disability Discrimination Act, health and safety, etc.) and the needs of users
- ensure that all properties are fit for purpose
- ensure that the strategic management of assets will fulfil the Council's long-term objectives and priorities
- optimising of the acquisition, holding and disposal of assets.

Best Value reviews for 2006/07

A programme of Best Value reviews for 2006/07 is currently being developed and will be reported in full in next year's Corporate Performance Plan.

Conclusion

In summary, a strong commitment to performance management is key to ensuring good governance, effective scrutiny and local accountability. The Council is therefore committed to further strengthening its performance management capacity and, as part of this, will continue to improve the way information is made available for members to exercise their decision-making and scrutiny functions. We will also seek to ensure that accurate and up-to-date information on service developments and improvements continues to inform the various forums through which the Council is accountable to local residents and taxpayers.