



Report to: Performance Review Scrutiny Committee

Subject: Covalent Performance Monitoring System

Date: 29th November 2010

Author: Councillor Paul Hughes (Chairman)

Working group members: Tony Barton, Mel Shepherd, Anne Wright, Gillian Fullwood

1. PURPOSE OF THE REPORT

To report the findings and recommendations of the above review to Performance Scrutiny Committee members.

2. BACKGROUND

This review was commissioned by the Overarching Scrutiny Committee in March 2010. Covalent has been in operation for 18 months and members have received training and become more familiar with its format and function. The information provided in Covalent has also steadily improved, partly due to input from the Performance Scrutiny Committee. It is therefore a good point in time to examine its overall effectiveness and value, and to establish its future capacity to support performance improvement at Gedling Borough Council. **The scope of the review is attached at appendix 1.**

3. INFORMATION GATHERING

3.1 The working group met with Stephen Bray, Head of Strategy and Performance, and Anita Jackson, Policy and Performance Management Officer, to gain an overview of the system and how it has progressed since its implementation.

3.2 A survey of Cabinet and Performance Scrutiny members and Heads of Service was conducted to establish the range and extent of their use of the system, and their views on its effectiveness.

Sample Questionnaires: Appendix 2

3.3 Following collation of the survey, a further meeting was held with D. Parton, Head of Direct Services about his use of the system, and with J. Robinson, Deputy Chief Executive, to gather his views on the future capacity of Covalent.

3.4 The working group also examined access logs to Covalent and considered a report by A. Jackson about the future potential of the Covalent system.

Member access log: appendix 3
Report: A. Jackson: Appendix 4

4. FINDINGS

4.1 Overview of the Covalent System

- The working group understands that the Covalent System provides a mechanism by which Members and Officers can assess how far we are delivering actions against targets that links back to the Council's 5 core priority themes and the priority to be a top performing Council.
- The system costs included a one of purchase cost of £12, 500, and a regular annual fee of £3, 249 for upgrades and technical support. We currently have 37 operating licences.
- There is a meeting of the Senior Management team in May each year to agree and set targets for a rolling three year period. Heads of Service are responsible for overall coordination of performance recording and reporting via the Quarterly Performance Digest, and submitted to the Council for approval in June.
- A number of standard reports are available in Covalent: Quarterly reports are presented to Senior Management Team, Performance Scrutiny Committee and Cabinet, and a "Golden Thread" report is produced in alignment with the Council Plan at the end of financial year. A quarterly report of Equality Impact Assessments is also produced and tabled at the Gedling Equalities Group.
- Additionally, customised reports can be produced to suit a particular purpose, for example by department, by section or by a particular service area.
- Milestones against actions (sub actions) contained within the Covalent themes are laid down by individual departments, usually by Section Heads, and in some cases by project officers delivering the work programmes. Email Alerts are automatically generated to Section Heads when actions need to be updated and to Heads of Service when indicators need to be activated.

4.2 Overview of Survey and meeting Outcomes

- From both the discussion meetings and survey results it is evident that the system provides a great deal more management information than previous systems did, and in a greater variety of formats, making the information more accessible than before.

- Some Heads of Service and Section Heads apply Covalent pro actively, using the reports in regular Section Heads meetings and Personal Development Reviews to monitor progress, and using the system as a project planning tool to deliver specific pieces of work. Others perceive and use the system as a reporting mechanism only.

Example of project and team management use: Appendix 5

- Most elected members tend to use the paper reports rather than access the Covalent system, and gain the benefit of performance briefings from officers to build detail around the information provided by Covalent.
- Cabinet members found the information in Covalent far more reliable and evidence based than previous systems, and appreciated the graphics which help them to understand and respond to trends in performance.
- Most survey respondents found the system “quite difficult” to operate. Those who found it easier tended to have a greater regularity of access due to the process based nature of the work in their department.
- The Performance Scrutiny Committee is highly engaged with the Covalent system, and has both contributed to, and benefited from, better information going into the system. This is having a positive effect upon the targeting of their scrutiny and upon departmental performance.

4.3 Future developments

- Under the new Government, the entire National Performance Indicator set is to be deleted and will be replaced by a much shorter list of outcomes, against which Local Government will be required to report to Central Government. This will place a greater emphasis upon the setting of local indicators and targets that reflect what is important at the local level.
- The services provided by Covalent were based around the existence of National Indicators, which meant that National Indicators were added to the system on our behalf by the provider. Future use will depend upon development of the operating framework to provide support to districts with adding both National and Local Indicators.
- In order to minimise the effect of the loss of N.I's upon the Policy and Performance Management Officer's time, the system must adapt. Gedling has been liaising with neighbouring authorities to coordinate the gathering of benchmarking data. Every authority that now uses Covalent will need to discuss with them how this local data is best transposed onto the system.
- The business requirement from Districts for Covalent has changed however by identifying common ground with our neighbours we strengthen the case for corresponding developments to the Covalent customer package.
- The Deputy Chief Executive is looking to move the target setting period forward from May to December / January, to align with budget and service planning and consultation, thereby allowing more synergy and a better debate with members. Given that at the time of writing, no details have been

published of the new national indicators, it may be difficult for this to be progressed, although members understand that every effort will be made to do so.

- Work is currently in progress with Nottinghamshire County Council and the other Nottinghamshire Districts to implement the 'TotalNotts' Project. Funding has been secured from the Regional Efficiency Improvement Partnership to purchase additional licences and modules, and to expand the use of a generic performance management system to all Nottinghamshire districts and the County Council.
- This will secure 25 additional licences for Gedling and more modules within Covalent, and will also involve the sharing of our data with the wider partnership. Instead of contracting directly with Covalent, our agreement would instead be with NCC, which is procuring the system on behalf of the partnership.
- The ongoing maintenance fee would be paid by REIP funding for the next 3 years, securing £10,000 cash savings for Gedling. Talks are progressing and procurement is planned by April 2011.
- In the event that this project does not reach fruition, there are other options within our current contract to review and exchange modules that are not being well used in order to receive more licences, modules or support.

5. CONCLUSIONS

- 5.1** Working group members were very pleased with the way in which Covalent has progressed in the 18 months since its implementation. The information contained in reports has steadily improved as officers and members have become more familiar with the system, and both Performance Scrutiny and Cabinet members feel more enabled in their roles as a result.
- 5.2** There is evidence that the system has improved the accountability of Heads of Service for the work in their departments, developed forward planning and increased the awareness of members of cause and effect within Council work flows and processes.
- 5.3** Whilst the system has bedded in very well, there is still untapped potential to use Covalent as a project management tool and service development tool, and for Members and Senior Officers to drill down into departmental performance using customised reports.
- 5.4** Departments seem to be comfortably managing the requirement to feed information into Covalent with support and training from the Policy and Performance Management Officer. However there is evidence of some duplication of effort in respect of collating and inputting data, due to a current lack of I.C.T interface between systems. This may be alleviated by the advent of new software within departments and in Covalent via funding from the Regional Efficiency Partnership.
- 5.5** Some current targets and indicators are not as SMART* as they could be, and some National Indicators can be very confusing. In setting the new local

targets we have an opportunity to establish clear goals with demonstrable outputs that have more relevance to Gedling residents.

- 5.6** It is not yet clear whether Covalent has been able to demonstrate cashable efficiencies. However a cashable saving of 10k will be made under the TotalNotts project should this go ahead, and the additional licences will “spread the load” in terms of input to Covalent. When the new targets come in, there should be opportunities to demonstrate further efficiencies.
- 5.7** Members welcomed the ongoing use of the Covalent System and the Council’s evident commitment to a continuing performance management culture. We were particularly pleased to note the point made in A. Jackson’s report that Gedling is the only district that has achieved the active engagement of Performance Scrutiny Members in Covalent review and analysis.

6. RECOMMENDATIONS

The working group makes the following recommendations to Cabinet and Councillor R. Tait, the portfolio holder for strategic planning:

- 6.1** To maintain the integrity of Covalent as being central to a continuing performance management culture at Gedling Borough Council.
- 6.2** Identify relevant and meaningful performance indicators to manage performance and enhance peer comparison.
- 6.3** It is important that when the new, local targets and indicators are set, they are SMART*, challenging, locally relevant, appropriately benchmarked and aligned to those of our neighbouring districts.
- 6.4** Promote and develop Covalent within departments to widen its use to effectively manage performance at all levels and, where applicable, as a project management tool.
- 6.5** Pursue the TotalNotts opportunity in partnership with Nottinghamshire County Council and other Districts, as long as the interests of Gedling Borough Council are met.
- 6.6** Wherever possible, develop automatic links between the various I.T. systems currently used to collate data, to move towards the single point of input of data to populate Covalent.
- 6.7** Create Opportunities for Heads of Service to learn ways of maximising Covalent together.
- 6.8** Performance Scrutiny, Cabinet and SMT to make more use of customised reports in reviews, team meetings and at Committees to enhance performance and increase joined up working across services.
- 6.9** Explore opportunities to use Covalent to contribute to the transparency agenda, by making the information even more accessible to the public.

6.10 Integrate the timing of performance planning with budget and service planning and enable greater dialogue and debate with members on the setting of targets.

6.11 At the 6 month Scrutiny follow up review stage, identify whether operation of the new targets in Covalent has demonstrated cashable efficiencies in line with the Fast Forward programme.

7. SUMMARY OF APPENDICES

Appendix 1: Project Scope

Appendix 2: Questionnaires

Appendix 3: Member access log 2010

Appendix 4: Report: A. Jackson, Performance monitoring officer

Appendix 5: Section Head Team and Project Monitoring example: D. Jayne

8. ABBREVIATIONS

*SMART: Specific, Measurable, Achievable, Realistic and Time bound

9. ACKNOWLEDGEMENTS

The working group would like to thank the following officers for their contribution to the review:

J. Robinson – Deputy Chief Executive

S. Bray – Head of Strategy and Performance

D. Parton – Head of Direct Services

A. Jackson – Policy and Performance Management Officer

D. Jayne – Neighbourhoods and Crime Manager

Members would particularly like to congratulate A. Jackson on her expertise, commitment and the support provided to her colleagues in their operation of Covalent, which was highlighted throughout the review.