

Case Study 6 ■■■

■ Best Value in Harrogate Borough Council

'Best Value' is a UK Government initiative which places a duty on all local councils and authorities to deliver the most economic and efficient services possible. Councils must report to their public and the Government each year on their performance, in addition to reviewing all their services to identify and achieve continual improvements. In this way the Government has challenged local councils to look at the way they deliver services and raise their quality at a reasonable cost.

This case study looks at the way Harrogate Borough Council in North Yorkshire – the author's own district – has addressed the needs and challenges of Best Value through a five-year review program of:

- Culture and community safety.
- The local economy; local taxation and benefits.
- Managing the council; access to services.
- Public health and protection; the local built and natural environment.
- Highways and traffic management; housing.



■ The vision, objectives, etc.

The council's vision is to 'provide civic leadership and high quality, cost-effective services to fulfil the aspirations of the community, local people and visitors'. In working towards achieving its long-term vision, the council has identified three broad aims and nine key objectives (Table C6.1)

■ Core values

The council's vision and nine corporate objectives are supported by the following core values:

■ **Table C6.1** Harrogate Borough Council's three broad aims and nine objectives

Aims	Objectives
A sustainable environment	<p>To contribute to a transport infrastructure that ensures that people and businesses can travel safely and conveniently.</p> <p>To work in partnership with the health agencies to protect and improve the general health of people in the district by providing a range of environmental health services and promoting individual well-being.</p> <p>To protect and improve the natural and built environment and to promote sustainable development across the district.</p>
Building local communities	<p>To work with others to build a prosperous and robust local economy.</p> <p>To work in partnership with the police and other agencies to reduce crime and the fear of crime in the district.</p> <p>To seek the views of local people, to respond to them and to keep them informed through timely and well-presented information.</p> <p>To facilitate the provision of a range of good quality housing appropriate to all ages and income levels in our community.</p> <p>To ensure the provision of a range of leisure, cultural and amenity services which meets the needs of all individuals and communities in the borough and benefits both residents and visitors.</p>
Delivering services for all	Continue to be a well-managed, responsive authority that meets the needs of all its customers.

Involvement: We will involve local people in the council's decision-making process through consultation, discussion and engagement initiatives, both corporately and at a service level.

Fairness: We will work towards fairness and equality of opportunity for all people regardless of age, culture, disability, economic status, gender, race, religion or sexuality.

Openness: We will ensure that the decisions we make are clear, open and honest; that we will listen to people and ensure that people have the right to challenge our decisions.

Respect: We will treat people with dignity and courtesy in providing services which reflect and celebrate local diversity, local need and provide choice.

Sustainability: We are committed to giving people a better quality of life now, without leaving problems for future generations either here or elsewhere.

■ Principals

The council is committed to seven key long-term principles:

Quality services: Providing responsive, customer-focused and efficient quality services, accessible to all, which try to meet the needs of all our customers, including vulnerable groups.

Effective management: Managing the authority's financial and other resources effectively to achieve its service commitments within agreed budget limits.

Integrity and accountability: Maintaining the highest standards of honesty, integrity and accountability and demonstrating fairness and equity in dealing with customers, employees and specific interests.

Employee development: Developing employees' potential, their commitment to public services and the contribution they can make to improve the services that the council provides.

A prosperous economy: Working to support the development of a balanced local economy with rising prosperity shared by all.

A quality environment: Preserving and improving the health and the quality of life by protecting and enhancing the natural and built environment of the district.

Community leadership: Providing community leadership and focus so that the community's views and opinions are taken into account by the council's actions whilst working to sustain and enhance pride in the Harrogate district.

■ Quality of life

Working together – councils, voluntary sector, businesses, health agencies, Police, etc. – to achieve a sustainable society which has, at its core, the national quality of life agenda. (Department of the Environment, Transport and the Regions – 'A Better Quality of Life').

That agenda has the following characteristics:

Economic _____

- Combating unemployment.
- Encouraging economic regeneration.

Social

- Tackling poverty and social exclusion.
- Developing people's skills.
- Improving people's health.
- Improving housing opportunities.
- Tackling community safety.
- Strengthening community involvement.

Environmental

- Reducing pollution.
- Improving the management of the environment.
- Improving the local environment.
- Improving transport.
- Protecting the diversity of nature.

Harrogate Council has incorporated the above agenda into its priorities, plans, budgets and targets. As both an employer and a provider of services, it monitors and reviews the quality of life agenda both as part of its Best Value reviews and in its approach to everyday management.

■ The Corporate Action Plan and Best Value Performance Plan

The Corporate Action Plan sets out the planned actions and targets which deliver the council's corporate objectives and priorities. It enables the authority to look beyond immediate issues and problems and to plan ahead for the longer-term future of the district. The Corporate Action Plan links into both the Best Value Performance Plan and the service and business plans prepared by the council departments to deliver their part of the council's corporate plans and targets.

Some of the actions in the Corporate Action Plan are designed to meet a local need or policy issue while others are to address the council's current performance. All of them are agreed by the council for implementation, following consultation with local communities and partners in the district. The council reviews the Corporate Action Plan twice a year to measure the progress being made in meeting the council's longer-term vision and strategy through the achievement (or not) of service actions and targets each year.

The Corporate Action Plan is divided into action tables – one for each of the council's corporate objectives. The council agrees a number of key priority areas for action to help deliver each of its corporate objectives and these are set out in detail in the plan, together with the actions and targets planned under each priority area, and the links into the relevant service and other council plans. An example part of the plan's details under 'Sustainable Environment' – Highways and Traffic is given in Table C6.2.

Details of the council's longer-term priorities and targets are set out in a separate 'corporate strategy' document.

■ **Table C6.2** Part of the 'Sustainable Environment' Corporate Plan: Highways and Traffic

Objective No. 1 – To contribute to a transport infrastructure that ensures that people and business can travel safely and co

Action	Target	Responsible officer	Revenue budget
Priority No. 1.1 – Encouraged use of sustainable forms of transport.			
1.1.1 Phase in the use of cleaner fuels in council vehicles	Acquire four council vans, which use liquid petroleum gas (LPG) fuel	Name 1	RB3
1.1.2 Continue to develop the North Yorkshire Concessionary Fares scheme in the Harrogate District.	<ul style="list-style-type: none"> ■ Review the first year of operation of the scheme by September ■ Issue travel tokens to eligible residents by June 	Name 2	RB8
1.1.3 Influence the draft North Yorkshire guidance on parking, transport assessments and travel plans	Work with other agencies to influence the guidance	Name 3	RB4
1.1.4 Input into the local transport plan	Make representations by 31st March next year.	Name 4	RB4
1.1.5 Encourage more people to make use of public transport and encourage more walking and cycling	<ul style="list-style-type: none"> ■ Work with others to complete the Harrogate bus station ■ Undertake further studies into providing more rail halts ■ Implement the Harrogate and Knaresborough Cycling Strategy 	Name 5 Name 4	RB8

The council's budget for the financial year is explained in detail in a separate 'Budget' document and each year, the council allocates funding in its General Fund Revenue Budget to enable it to deliver its annual corporate priorities and targets. Details of the council's funding of corporate priorities is set out in the Best Value Performance Plan.

A Best Value Performance Plan is generated for each coming financial year. This provides a snapshot of the council's performance and achievements for the previous year – what worked/what did not – and looks forward to what the council needs to do to meet its commitment to provide high-quality, cost-effective services which meet the needs of the people of the Harrogate District.

The objectives and priorities are stated together with the long-term issues facing the district. The council's performance has improved in a number of areas and, where it has not improved, the council has taken action to address this. On the Government's national top 11 indicators for District Councils, Harrogate's performance in the year of the case study preparation was in the top quartile on five indicators, average performance on three indicators and below average performance on three indicators. Over 70 percent of people living in the district were satisfied with the overall service provided and the council met over two-thirds of its performance targets and 'almost met' a further 7 percent.

■ Performance indicator support pack

A document on 'Best practice guidance for staff working with performance indicators (PIs)' has been issued to address the users and uses of performance information. This contains the following information:



Performance indicators

- What they are for.
- What they do.
- What makes good PIs.

Developing new PIs

- Who the PI is for.
- How the PI will be used.
- The importance of PI focus and balance with the 'bigger picture'.
- Robust PIs.

Documenting PI calculations

- Audit trail.
- Support/guidance.
- Evidence-based.
- Transparent/replicable.
- Sign posts to evidence.

This excellent document points out that PIs indicate how well an organization is performing against its aims and objectives, they are not a means to an end but:

- Measure progress towards achieving corporate objectives and targets.
- Promote accountability of the service providers to the public and other stakeholders.
- Allow comparisons of performance to identify opportunities for improvement.
- Promote service improvement by publicizing performance levels.

The council recognize that good performance information helps identify which processes/policies work, and why they work, and is the key to effective management including service planning, monitoring and evaluation. Clearly in this public sector environment performance information is important externally as it permits greater accountability and allows members of the public and stakeholders to have a better understanding of relevant issues and to press for improvements.

The Audit Commission in the UK has a set of five-point guidelines on good practice for performance information: 'Councils should try to develop and use a range of performance indicators that measure five aspects of their service':

- *Its aims and objectives* (why the service exists and what it wants to achieve).
- *Its inputs and outputs* (the resources committed to a service and the efficiency with which they are turned into outputs – cost and efficiency).
- *Its outcomes* (how well the service is being operated).
- *Its quality* (the quality of the service delivered explicitly reflecting users' experience of the service).
- *Its accessibility* (the ease and equality of access to services).

Services will need to consider over time the set of the PIs that they have in operation (national PIs, local PIs and management information) and judge whether they need to adopt new PIs to fill in gaps or cover any new work areas. This can only be done once councils consider what they currently monitor and its usefulness, the department/service aims and objectives and where they want to take the service in the future.

■ Performance management corporate arrangements

Harrogate Borough Council has prepared information and advice on the authority's corporate performance management arrangements.

Each department has its own performance monitoring arrangements which cover, at a service level, setting objectives and targets together with the reporting of performance to both officers and members. The Business Unit Manager's Handbook issued to the Authority's managers sets out the council's policy on the management of a monitoring/reporting at a service level. The focus of this document is on the arrangements to manage the authority's performance corporately through both the Corporate Management Team (CMT) and the cabinet.

The leader's annual statement _____

The leader produces an Annual Statement of the Political Administration's key aims and objectives, policy targets, etc., for the next financial year and coming years. The Annual Statement is the key outcome of discussions in the spring each year between CMT and the cabinet.

Corporate action plan (CAP) _____

The Corporate Action Plan is part of the Best Value Performance Plan (BVPP). Its purpose is to summarize how the council intends to deliver its long-term corporate objectives in the coming year. The BVPP and CAP are adopted by council in early March and published by the 31st March each year. A separate summary BVPP is printed and distributed to every household, to local businesses, to the voluntary sector, etc., in early March each year. The CAP is reviewed mid-year and at the end of the financial year and the results are reported to CMT and the cabinet.

Business units _____

The Business Unit Manager's Handbook requires all council service managers to prepare a Business and/or service Plan each year, setting out the planned actions, targets and accountability arrangements for the coming year. The handbook also requires all council service managers to agree with their relevant chief officer and cabinet member the frequency of reporting of service or business performance. (The minimum reporting requirement is twice a year.) In addition, each service manager must prepare and agree a work plan to deliver the agreed business and/or service plans.



Each business unit's performance monitoring report is based on the agreed business and/or service plan and includes links to the relevant corporate objective and action in the BVPP and CAP. Chief Officers and senior managers meet regularly to review the performance of their services including benchmarking with other providers (public, private sector, etc.), comparing performance over time, etc. Service-related performance is reported to CMT only where there is a corporate issue to address.

Performance appraisal _____

At their annual appraisal interview, conducted by the Chief Executive, the Chief Officer is required to account for their own performance and that of their Department. Their main service and departmental objectives are reviewed during the Chief Officer's performance appraisal.

A Chief Officer's performance is reviewed half-yearly with each Chief Officer reporting to the Chief Executive on progress and changes in their objectives over the last six months. Performance appraisal looks back, looks forward and sets objectives which reflect the chief officer's priorities and the Chief Executive's priorities. The relevant committee cabinet members are present at a Chief Officer's performance appraisal. They are also present where

appropriate at the appraisal of executive officers. In order to report effectively to the Chief Executive on their policy priorities and performance, each Chief Officer must review the performance, each of their own services through ad hoc reviews, department management team meetings and individual performance appraisals of senior departmental managers. The Chief Executive's performance appraisal is a report back to members on the Council's priorities and a look ahead to set policy priorities for the coming year. Within each department, the Chief Officer conducts regular performance reviews with their senior officers. Once a year, the performance of each employee is appraised by their line manager as part of the Council's Staff Appraisal Scheme.

Corporate planning process

The corporate planning process requires stakeholder consultation to take place, at both corporate and service levels, as part of the development of plans, targets and performance indicators. This requirement is set out in the Business Unit Manager's Corporate Handbook.

The corporate planning process and the departmental/service planning processes are linked requirements for the administration's Annual Statement of Objectives to inform service and business planning and for draft Service Plans to be summarized in the BVPP. Service and business plans must explain, in detail, how service actions will deliver the council's corporate objectives and priorities each year. They also explain, in detail, how each Business Unit Manager will monitor the delivery of corporate objectives and priorities at a service level, what targets they will use, etc.

Monitoring performance

Every week the **Chief Executive** meets the authority's political leadership (the leader meeting) and every month has a joint meeting with the leader and the leader of the opposition group. Reports on progress and performance form part of the discussions. Chief Officers and senior Officers attend the leader meeting as necessary to discuss service and corporate performance.

The **Corporate Management Team (CMT)**, comprising the authority's seven Chief Officers, meets fortnightly. The team's composition is:

- Chief Executive.
- Director of Finance.
- Director of Administration.
- Director of Leisure and Amenity Services.
- Director, Harrogate International Centre.
- Director of Technical Services.
- Director of Health and Housing.

The CMT's agenda includes reports from corporate projects and groups on a pre-agreed frequency (the minimum reporting frequency for a project or group is once a year). CMT also receives reports on corporate performance or issues (as necessary), either through the

standing CMT agenda item 'Information Exchange' or specific agenda items/reports. The CMT receives regular financial monitoring reports on the authority's revenue and capital budgets. It also receives regular monitoring reports on the authority's corporate performance against national and local performance indicators, the district audit's BVPP action plan, etc.

The **Chief Executive** carries out a variety of reviews during the year. Some are ad hoc, asking for information, and some are planned as part of an annual review program, including regular meetings with the Director of Administration, the Head of Environment (on environmental health issues), the Audit Manager, the Head of Human Resources (on training), the Borough Administrator (on political management), the Assistant Director of Technical Services (on community safety), the Head of Museums and Arts, the Director of Health and Housing (on housing issues), the Chief Estates Surveyor (on property issues) and the Head of Planning Services.

The Chief Executive attends a Departmental Management Team (DMT) meeting in each department twice a year to explain the council's approach to budgeting and other major issues such as the New Political Framework. It is also an opportunity for Senior Officers in departments to raise issues or ask questions.

Each **Chief Officer** is responsible for monitoring and reviewing the performance of their services. A Chief Officer will report on service performance to the Chief Executive or CMT (or both) on an exceptional basis.

Each Chief Officer is responsible for reviewing the performance of their services and budgets during the year using **Best Value Performance Indicators (BVPs)**, local performance indicators and targets. Chief Officers need to ensure that they compare and benchmark their services with other providers (public and private sector) on a regular basis. Each Chief Officer is responsible for reporting the performance of their services and budgets to the relevant cabinet member on a regular basis.

The **cabinet** meets once a month and comprises eight members:

- Leader of the Council.
- Deputy Leader of the Council.
- Cabinet Member (Planning Portfolio).
- Cabinet Member (Housing Portfolio).
- Cabinet Member (Leisure and Amenity Services Portfolio).
- Cabinet Member (Environmental Health Portfolio).
- Cabinet Member (Public Works Portfolio).
- Cabinet Member (Opposition Member without Portfolio).

The cabinet receives regular financial monitoring reports on the authority's revenue and capital budgets. It also receives regular monitoring reports on the authority's corporate performance against national and local performance indicators, the District Audit's BVPP Action Plan, etc.

In addition to this each Chief Officer is responsible for reporting the performance of their services and budgets to the relevant cabinet member on a regular basis.

Cross-cutting issues

The **Council's budget** has its own annual process which involves central corporate analysis and review by CMT and an established corporate timetable and reporting program, including a budget seminar for members.

Economic indicators

Information is picked up through the council's Economic Development Strategy. It includes consultation with other organizations such as major local employers and the Chambers of Trade. The information on economic indicators is fed back through the political leadership into the authority's policy-making process.

The authority's Medium-Term **Financial Plan** is rolled forward each year. The roll-forward involves extensive consultation.

The authority's Capital Initiatives Strategy is rolled forward each year. The roll-forward involves a corporate review of need and resources. The review, etc., will form part of the authority's Asset Management Plan.

The authority has carried out several **Risk Assessment** exercises in recent years, relating to risk management on revenue budgets, on capital budgets, forward planning and on planning for high percentage budget reductions.

The Strategic Management Officer is responsible to the Corporate Management Team for reviewing the authority's **Corporate Performance**, on a six-monthly basis, in six key areas of corporate management:

- 1 The council's Corporate Action Plan.
- 2 The implementation of the council's agreed Service Improvement Plans and/or Best Value Inspection reports.
- 3 The implementation of the District Auditor's BVPP Action Plan.
- 4 The authority's audited performance against the national BVPIs and targets.
- 5 The overall performance of council services against last year's targets and the current year's targets.
- 6 The preparation of draft service and business plans for next year.

There is an annual corporate performance monitoring timetable to meet the above corporate performance requirements. The outcomes of each of the six corporate performance reviews are reported to CMT and the cabinet for each to challenge and agree. In addition each Chief Officer is responsible for comparing, monitoring, reviewing and reporting the performance of their services and functions.

Each Chief Officer is responsible for their department's performance management arrangements through their line management structures and processes. These arrangements must enable the Chief Officer to monitor each year whether the corporate objectives and targets set out in the BVPP are being delivered by service actions and expenditure in their department. The annual work programs of the authority's corporate groups are discussed and agreed by CMT in advance of the start of the year to which they apply.

■ Conclusions

Harrogate Borough Council's performance management arrangements reflect the devolved service culture in the authority. They are supported by a management culture of delegation and accountability at a service level.

The developed management culture includes appropriate checks and balances, together with 'incentives' which encourage effective business unit management. The incentives are set out in the Business Unit Manager's Handbook and cover the treatment of budget surpluses and losses, virement and internal trading relationships.

The authority's approach to performance management is 'hands on', whether at a service or corporate level. This provides an open management environment in the authority where problems, failings and successes are reported upwards on a regular basis.

In a value for money study on the authority's service and financial planning arrangements, the main conclusion was 'The council has a well-developed corporate, service and financial planning process.'

■ Questions

- 1 Explain the principles behind 'Best Value' giving clear statements of what it is trying to achieve in the delivery of public services. What sort of organizations may usefully adopt these ideas and how may the deployment have to change to accommodate a particular situation?
- 2 Evaluate Harrogate Borough Council's approach to 'Best Value', indicating strengths and areas for improvement.
- 3 In terms of performance measurement and management, how does this approach compare with other perhaps simpler arrangements and what could be done to streamline and improve the application?

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