



Performance Management

How LRG organisations in England can
meet their increasing challenges

A Charteris White Paper

Andrew Rogoyski
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CHARTERIS

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The background

Performance management and the relentless drive for improved services delivered with greater efficiency has become a central part of the day to day running of local and regional Government (LRG) organisations. Central Government has set ambitious targets and short timescales for improved services to citizens, accompanied by pressures to reduce costs associated with the delivery of these services.

To measure performance of services delivered by Government, a series of Public Service Agreements (PSA) have been defined which are fundamental to the Government's approach to delivering world-class public services. The PSAs set out objectives and performance targets across Government, explaining what departments plan to deliver in return for the continued investment in resources. The PSA system is an integral part of a framework for increased clarity, devolution and accountability in the delivery of public services.

As part of the PSA, local Government measurement was introduced in 2002 using the 'Comprehensive Performance Assessment' (CPA). This draws on a range of information such as performance indicators, assessments of corporate capacity, audit and inspection reports, and stakeholder opinions to reach a single judgement about the performance of a local body. The results give local residents an opportunity to gauge service delivery in their area, and give councils a focus for improvements. Top performing councils are rewarded with freedoms and flexibilities, including "inspection" holidays, a seat on the innovation forum for local Government, and freedom from council tax capping (since revoked). Poor performing councils, meanwhile, can expect special management teams to help them turn around their fortunes. These judgments give rise to a 'star rating' which can have a material impact on both funding and electability of members – a good star rating is vital to senior management in such organisations.

A key component of the CPA framework of assessments relates to children's and adults' services. These so-called 'Level 1' services carry a much greater weight in the overall assessment of the LRG's services – a good result for these services is absolutely essential.

Central Government has set ambitious targets and short timescales for improved services to citizens, accompanied by pressures to reduce costs.



The burning issues for LRG organisations

In our experience, we find that organisations struggle with many of the following issues:

1. There is no common understanding of hundreds of performance indicators (PIs) – how they are defined, what they mean, how they are measured and how they should be used;
2. Accessing the data necessary to derive each PI is difficult – often the information lies in numerous, separate systems within an organisation. The systems are often incompatible, difficult to access, not up to date, etc.
3. The quality of data is poor – given the typical complexity of sourcing data for the PIs, there is often a problem with verification of the data – has the right data been used? Is it up to date? Is it consistent?
4. The cost of reporting is high – many Government organisations dedicate large teams of people to source the data and then prepare reports that present PIs in the desired fashion. Reporting is often complex, erratic and time-consuming.
5. Use of performance reporting is poor – many organisations struggle with the generation of PI reports to the extent that there is little time and will to actually *do something* with the results of the reports, i.e. to take action on the basis of a poor PI.

These problems are most keenly felt in the area of social care, typically devolved into two departments: Adults' Services and Children's Services. These services are the most heavily scrutinised during the assessment process, the results of which are very important to the organisation's overall rating.

The change from CPA to CAA

These problems exist here and now. However, they are likely to get more challenging when the forthcoming changes in the way that performance is measured across Government come into effect. This is the move from CPA to the Comprehensive Area Assessment (CAA), which will place further demands upon the organisation's ability to measure performance as they start to include PIs that are pan-organisation, multiplying the issues described above.



Which issues affect you?

- ◆ No common understanding of hundreds of performance indicators (PIs)?
- ◆ Accessing the data to derive each PI is difficult?
- ◆ Quality of data is poor?
- ◆ Cost of reporting is high?
- ◆ Use of performance reporting is poor?
- ◆ Problems are most keenly felt in social care?
- ◆ Unclear about how you will cope with the change to Comprehensive Area Assessment (CAA)?

The Charteris solution

Charteris provides a range of services around *performance management* consulting to help organisations understand and improve their performance ratings, especially in the area of social care, provided through adults' and children's services. Charteris can offer advice based on experience gained from many local Government organisations. Charteris has provided a range of services, from strategic advice on performance and organisation change, through to delivery of solutions which help deliver top class public services.

Charteris provides consultancy to support good performance management. We do this in a number of ways, including:

1. PI Design & Result Interpretation

Charteris will provide expert help to promote a common understanding of the PIs. We also support the analysis of the PIs generated by the performance reporting activities. Often a poor PI can be due to simple errors in the way the data is collected or presented.

2. PI Quick Wins

Charteris will provide advice on how to make quick and simple changes to the reporting processes in order to improve the results and reduce the amount of time taken to generate them. Doing this eases the pressure of generating good PIs, allowing more strategic change to be implemented so that good quality PIs become 'business as usual'.

3. Architectural Review & Assessment

Charteris will provide a review of the way that the data is sourced across the organisation. For example, highlighting where poor integration of systems leads to poor data quality, inconsistent data entry leads to failing PIs, etc. Charteris can also undertake database query modifications to help get clearer, consistent results from departmental systems.

4. Data Verification & Validation (V&V)

Charteris can provide advice on the V&V processes that should be observed in order to get good quality data for the PIs. We can also audit the existing processes and data to provide a baseline measurement for ongoing improvement work.

5. Solution Engineering

Charteris can design and implement a number of performance management solutions, utilising a variety of new and powerful Microsoft enterprise applications. Charteris is able to provide case studies and demonstrations that show the potential for these technologies.

These are only broad summaries of Charteris' capabilities in this area. They form part of Charteris' agility strategy, further details of which can be found at www.charteris.com

Powerful cost reasons for acting now

Charteris is **currently engaged** with a number of local Government organisations and has generated (and is *still* generating) some very interesting findings:

- ◆ Charteris is currently retained on a long-term basis by Ealing, Greenwich, Croydon, Worcester and Wandsworth Councils to provide consultancy on performance management, data management and performance reporting.
- ◆ Worcester Council engaged Charteris to review their reporting infrastructure. By helping them understand what they were trying to measure and why, the size of the performance team was reduced by over 60%, allowing these valuable staff to be redeployed elsewhere.
- ◆ Charteris has overseen the delivery of several case management systems into adults' and children's services departments, including Harrow and Ealing Council. These systems often form the main source of data used to form the Key PIs used for the Level 1 services reports.
- ◆ Charteris is working as part of the core team of the ContactPoint programme, for the Department for Children, Schools and Families (DCSF). This ContactPoint system will provide an index of all children and their potential involvement in services in England and is a key element of the 'Every Child Matters' programme to transform children's services by supporting more effective prevention and early intervention. Charteris is ideally placed to advise on the interfacing between ContactPoint and local authority data systems.

All our customers have acknowledged that the savings and service improvements offered by our performance management consultancy has saved substantially more money than they have cost, making it easy to cost-justify.

The need for urgent action

There is a **general need for urgency** in the area of performance management because:

- ◆ Senior managers are being asked to measure their performance in terms of new outcome-based indicators as part of central Government CSA and now CAA measures. This requires greatly improved business information, in terms of timeliness, availability, accuracy and appropriateness;
- ◆ Senior managers need to implement *and demonstrate* improved effectiveness and efficiency of departments within LRGs. It's not enough to receive a good rating – the rating must have a positive 'direction of travel' i.e. be improving;
- ◆ There is a developing emphasis among organisations to be more responsive and agile to change – to be more responsive to the changing demands of citizens (and central Government) and to be more agile in the way that services are provided and sourced.
- ◆ The Government has recently announced funding to local authorities to support the local implementation of ContactPoint, which needs to be completed by May 2009.

There are some **new and exciting ways that technology is able to solve some of the above problems**, from improved business information systems to mobile and collaborative solutions that enable staff to focus on front-line activities, face-to-face with citizens.

Cost justification

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Charteris' customers have acknowledged that the savings and service improvements offered by our performance management consultancy has saved substantially more money than they have cost, making it easy to cost-justify.

The benefits you can expect to achieve

By engaging with Charteris, our clients should achieve the following benefits:

- ◆ The organisation can often **improve its performance rating significantly**, simply by ensuring the right data is measured and presented in the right way;
- ◆ The organisation gains an improved understanding of its ability to **monitor performance** and practical advice on how measuring and presenting its performance might be improved;
- ◆ By implementing more effective and efficient reporting mechanisms, the organisation is able to **reduce demands on the performance management teams**. This allows them to divert effort into new performance analysis and management, improving the services provided to citizens;
- ◆ The organisation can realise cost savings stemming from **reduced IT costs** by using highly integrated and sophisticated performance analysis tools, utilising familiar, low-cost technologies.

Potential benefits for LRGs – at a glance

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- ◆ Improved performance rating.
 - ◆ Better understanding of how to monitor performance.
 - ◆ More effective and efficient reporting mechanisms.
 - ◆ Reduced demands on performance management teams.
 - ◆ Improvements to the services provided to citizens.
 - ◆ Cost savings stemming from reduced IT costs.

“ The Charteris consultants blended into our team. There was a mutual respect and exchange of information that really contributed to the project’s success.”

Malcolm Jeeves,
Host Programme Manager
London Borough of Harrow.



What sets Charteris apart in the Public Sector Performance Management arena?

- ◆ There are a number of performance management systems vendors, usually providing 'Business Intelligence' tools. However, what is usually missing is the deep understanding of Government reporting framework performance indicators (within the PSA and CPA frameworks), including their derivation and their use.
- ◆ Charteris' preferred approach is to try to make best use of the systems and processes already in place - most competing suppliers in this sector are only interested in selling products or outsourcing the department's IT-related business.
- ◆ Change and management consultancies will often advise on organisational change without focusing on the short-term needs of improving PI results;
- ◆ Few suppliers in this area possess the hard-won IT delivery experience that Charteris offers.

A way of working based on the delivery of tangible benefits

- ◆ Charteris will advise you on how **to improve your performance management** by utilising timely, accurate and appropriate information to support better decision making;
- ◆ Charteris has a **track record** providing performance improvement consultancy with a number of local Government organisations. The benefits are often visible in terms of real cost savings as well as improved performance ratings;
- ◆ Charteris is a **hands-on consultancy**, offering experience rather than methodology, offering direct help to solve problems rather than just advise;
- ◆ Charteris **acts as a 'bridge' between business needs and technical solutions**, offering sector expertise backed up with real-world delivery experience;
- ◆ Charteris offers **cross-sector experience**, bringing best practice from industry sectors such as retail, manufacturing, banking, central and local Government;

Powerful new technologies

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Charteris offers expertise in some powerful new technologies coming to market that promise to improve performance management – for example, Microsoft's SharePoint 2007 and PerformancePoint.

Charteris focuses on Microsoft enterprise solutions because of technical strength, user familiarity, flexibility and lower costs.

“ Charteris' whole approach is centred on the customer and inclusive of employees.”

“ In two years time, I expect customers to be much more satisfied with the services that we deliver.”



Sue Redmond,
Director of Community Services
Wiltshire County Council

Charteris' track record

Charteris plc was formed with the purpose of providing the very highest quality business advice to a variety of industries. Our consultants are drawn from a number of industries and form a strong experience-based team (the average work experience of a Charteris consultant exceeds 20 years). The company now stands at 150 strong, with turnover in excess of £20m per annum.

Charteris' skills and strengths include the following:




- ◆ Charteris has an established track record of providing board-level advice and consultancy within central and local Government.
- ◆ Charteris provides a range of services, from strategy, formulation of IT strategy, requirements capture, strategic sourcing and programme management through to technical implementation of Microsoft-based systems. As such, Charteris has a deep understanding of all aspects of the lifecycle involved in IT-enabled change.
- ◆ Charteris understands and advises on how to create value from IT-related business change. Charteris has established a substantial list of blue chip clients, including many UK Government departments and organisations, who value our participation in their business;
- ◆ Charteris has specific capabilities within LRG organisations including performance and reporting for children's and adult services and case management systems in their support.
- ◆ Charteris has an established track record in the implementation of Microsoft-based solutions. Charteris is a Microsoft Gold Certified Partner.

Charteris has an established track record of providing board-level advice and consultancy within central and local Government.

Specific capabilities within LRG organisations include performance and reporting for children's and adult services and case management systems.

Case studies

Charteris has undertaken a number of strategic engagements with Government organisations:

<p>Wiltshire County Council</p> <p>Performance improvement programme for the provision of adults' services;</p>	
<p>Wandsworth Council</p> <p>Performance reporting improvement and delivery of a case management system to the adults' services department and ongoing advice on performance reporting and data integration;</p>	
<p>Ealing Council</p> <p>Delivery of a case management system to serve children's and adults' services and ongoing advice on performance reporting;</p>	
<p>Department for Children Schools and Families</p> <p>Managing the requirements for ContactPoint;</p>	<p>department for children, schools and families</p>
<p>Harrow Council</p> <p>Delivery of a case management system to serve children's and adults' services;</p>	
<p>Croydon Council</p> <p>Advice on performance reporting;</p>	
<p>Greenwich Council</p> <p>Advice on performance reporting and data integration;</p>	
<p>West Lothian Council</p> <p>Improving inter-departmental collaboration through the introduction of SharePoint services.</p>	

Next steps

LRG organisations interested in achieving the Performance Management improvements outlined in this White Paper can learn more by following one of the following routes:

1. Business focused: Charteris can provide a briefing to the senior team (departmental head and above) to explain how Charteris is able to bring improved performance management and reporting into the organisation;
2. Technology focused: Charteris can provide a briefing, and possibly a demonstration, to a senior member/s of the LRG management team to show how technologies such as SharePoint could be used to help improve performance management in LRG organisations;
3. Results focused: Charteris can facilitate a workshop, involving various stakeholders from different Government departments or organisations, to illustrate how performance management and performance reporting is typically improved in LRG organisations.

For more details contact:



Andrew Rogoyski,
Head of Practice,
Government & Energy
(telephone 020 7600 9199 or
email andrew.rogoyski@charteris.com)

or



Roger Woods,
Head of Practice,
Scotland & Northern England
(telephone 0131 4777 741 or
email roger.woods@charteris.com).

Enabling the agile enterprise through the strategic application of technology

About Charteris

Charteris helps leading organisations transform business performance through the strategic application of the latest proven technologies.

We focus on three key business areas:

Customer Centricity

Enabling organisations to deliver a fully integrated service to their customers, irrespective of the sales or communication channel.

Integrated Enterprise

Transforming mid and back office processes and integrating real-time decision-making into business operations.

Infrastructure Optimisation

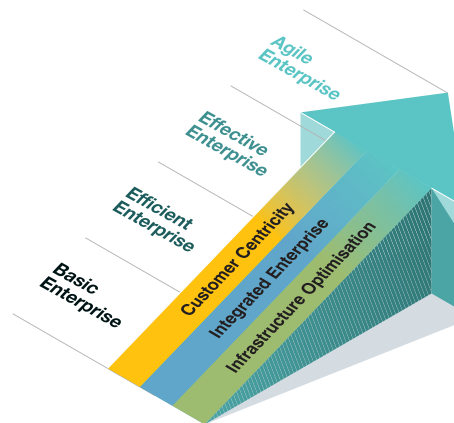
Implementing coordinated and efficient IT infrastructure and achieving operational excellence.

Charteris solutions in each area, whether taken in total or in part, are designed to help client organisations progress along a proven and cost-effective path towards enterprise agility.

We combine our capabilities with in-depth industry specific knowledge, with particular focus on:

- ◆ Financial Services
- ◆ Retail, Manufacturing and Services
- ◆ Law Firms
- ◆ Media
- ◆ Public Sector
- ◆ Telecoms

For more information on Charteris, visit www.charteris.com, email info@charteris.com or telephone +44 (0)20 7600 9199.



A selection of Charteris clients:

- Abbey
- ArmorGroup International
- Barclays
- Beazley Group
- Boots
- Close Brothers
- Debenhams
- DLA Piper
- Cabinet Office
- Criminal Justice IT
- Crown Office and Procurator Fiscal Service
- Ealing Council
- Eversheds
- GAME
- HBOS
- Inchcape Shipping Services
- ITV Broadcasting
- John Lewis Partnership
- Marks & Spencer
- Mayer Brown
- Microsoft
- NHS – Connecting for Health
- NHS National Services Scotland
- Perth and Kinross Council
- Premium Credit
- Tesco
- Wales & West Utilities



Charteris plc

Head office:
Charteris House,
39/40 Bartholomew Close,
London EC1A 7JN

Tel: +44 (0)20 7600 9199
Fax: +44 (0)20 7600 9212
email: info@charteris.com

www.charteris.com