

**Sedgemoor**  
IN SOMERSET



INVESTOR IN PEOPLE

# Covalent Case Study



Performance Team

July 2009

**COVALENT**  
transforming performance

For further information on Sedgemoor's approach to Performance Management, please contact the Performance Team:

Sedgemoor District Council,  
Bridgwater House  
King Square,  
Bridgwater,  
Somerset,  
TA6 3AR

Tel: 0845 408 2540

Email: [customer.services@sedgemoor.gov.uk](mailto:customer.services@sedgemoor.gov.uk)

[www.sedgemoor.gov.uk](http://www.sedgemoor.gov.uk)

## About Sedgemoor

Sedgemoor is situated in the south west of England. The Bristol Channel forms its northern boundary, the Quantock Hills cover the western part of the district and the Mendip Hills are in the northeast. It is mainly rural, with 13% of the area designated an Area of Outstanding Natural Beauty and the Moors and Levels being proposed as World Heritage Sites. The largest settlements are Bridgwater, Burnham-on-Sea/Highbridge, Cheddar and North Petherton. There are 49,000 households and the population is 112,200 which rises during the holiday season, with 620,000 staying visitors.



The Council has 50 members and operates a leader and cabinet style structure with nine portfolios, and employs 490 staff (396 FTE). The Deputy Leader of the Council has portfolio responsibility for performance management and is actively involved in driving up performance as chair of the Actions Tracking and Performance Improvement Group.

## Prior to Covalent

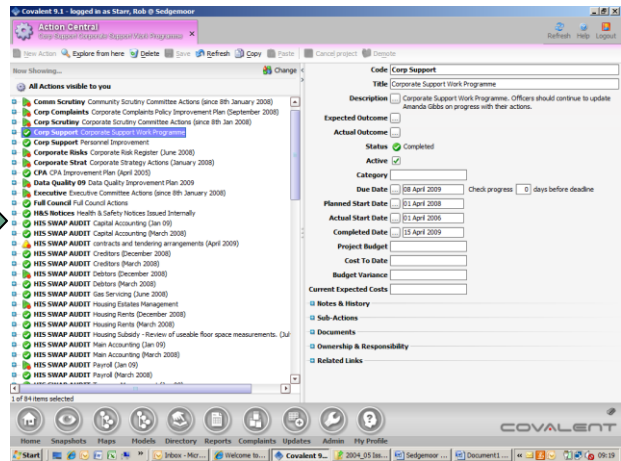
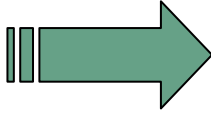
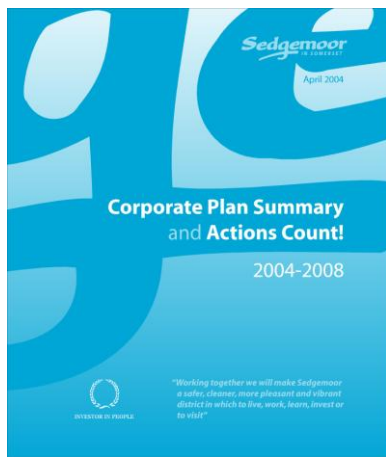
Prior to the introduction of Covalent, performance management in Sedgemoor District Council had a much lower profile. Performance was typically reported on an annual basis in lengthy text-based reports and the system used to manage performance was severely limited by manual paper-based systems.

At the same time the introduction of Best Value and the statutory Best Value Performance Indicators placed a greater emphasis on regular monitoring and review of performance in Local Government.

The specific limitations the Council sought to overcome by procuring an electronic performance management system were:

- There was no single corporate performance system;
- Performance data was often out of date – by the time systems (“Actions Count!”) had been updated it was well into the next quarter;
- There was a limit to the amount of actions and PIs that could be managed because systems were manual and resource intensive;
- It was difficult to gain a corporate view of performance, i.e. see the ‘big picture’;
- It was difficult to sort and search actions quickly.

These issues were highlighted in the CPA inspection in May 2004 when the Council scored level 2 out of 4 for performance management, which equated to “the Councils weaknesses outweigh its strengths”. The inspectors’ main criticism was the lack a system for monitoring performance corporately.

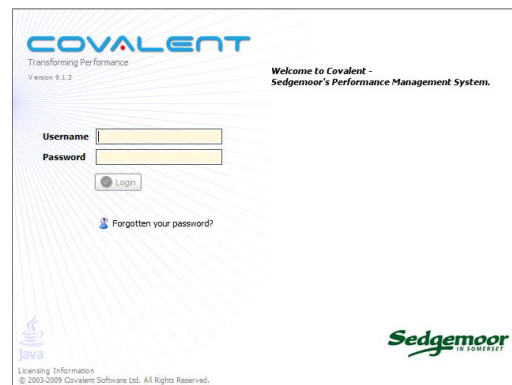


## Why Covalent?

Sedgemoor was Covalent's very first customer and as a pathfinder authority helped to influence the development of the product in its early stages. There were two main reasons for selecting Covalent over its competitors. Firstly, the strength of the product – it was developed specifically for local government with a wide range of features and a roadmap for future development, which we thought was particularly important in the rapidly changing world of Local Government. Secondly, it was supported by the strong customer focus of the company, which has been displayed consistently by all members of Covalent staff. Furthermore, they have a genuine desire to help us get the best out of the system and make real improvements to the quality of the services we provide.

There were several other reasons for selecting Covalent:

- Cost – Covalent was competitively priced;
- User interface – the most user-friendly and easy to use of the systems we shortlisted;
- Flexibility – in a changing environment the ability to customise and adapt the system to a Council's own requirements was important;
- Support – the product was installed quickly and easily, and the customer service was first rate, which included help with the roll-out and initial training.



## Current use of Covalent

Sedgemoor formally introduced Covalent on 1<sup>st</sup> April 2005 and since then has been using the system to manage its performance on a daily basis. Formal training was provided during 2005 and 2006 by Covalent's own trainers, which was a big help! Training is now provided in-house to new employees or those who require a refresher course on a 1 to 1 basis as and when required. There are currently 269 registered users, which includes all 50 Councillors.

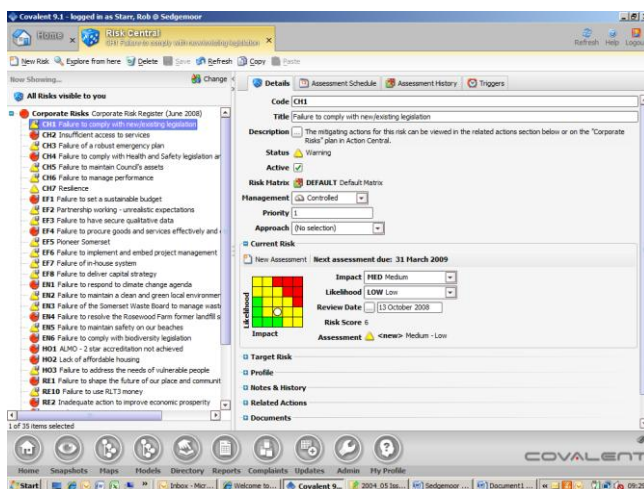
Sedgemoor currently uses the system to manage *all* aspects of its performance framework – it is in essence the foundation on which the framework rests. Its main usage is in managing statutory and local performance indicators, action plans and more recently the corporate risk register. There are currently 53 action plans, 1160

actions and 591 performance indicators. Managing this amount of data would not have been possible without Covalent.

In 2007 the Council reviewed its performance framework, which resulted in a new process-driven framework being implemented in January 2008. The new framework relies heavily on Covalent for exception reporting and its ability to manage large numbers of actions. In fact, all actions that fall within the framework are monitored on Covalent, there are no exceptions. Regular reporting is also a key part of the framework – every fortnight managers are presented with a list of their overdue actions and all Committee reports on progress are produced from Covalent.



The framework operates by categorising all actions according to their importance. Exception reports from Covalent are used to identify overdue actions or under-performing areas, and if necessary these can be 'escalated' into a higher monitoring zone on the system, which could involve closer monitoring or the instigation of an improvement project. This process is managed via Covalent. Some recent examples are projects on improving the Council's website which will shortly see a new look site go live, and on Corporate Complaints monitoring that has seen a new Policy and procedures based on best practice approved by Council.

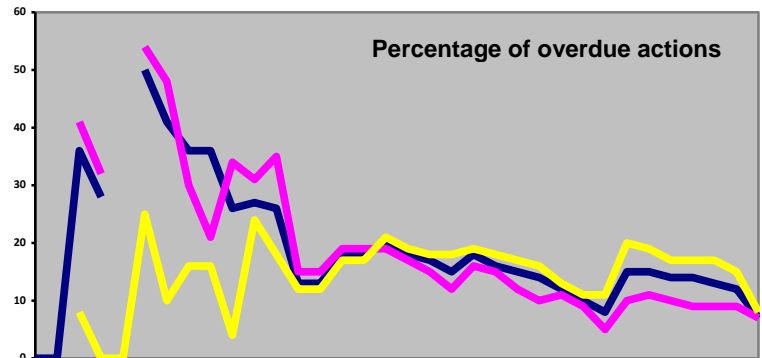


More recently we have incorporated our Corporate Risk Register into Covalent, and monitor the mitigating actions. The unique way Covalent allows us to 'link' actions and risks makes it easy to report progress to Corporate Scrutiny every quarter – they can clearly see not only progress against the actions, but also the risk to which they relate and the potential impact of completion/non-completion of the action in the risk matrix. This has been an important improvement as the risk management process was assessed as being "under-developed" during the CPA inspection.

The system has proved to be an excellent management tool in automating the tasks of sending automatic reminders, flagging-up areas of concern and in providing a centralised source of up-to-date performance information. The system has therefore helped to shift the emphasis of performance management in the Council from the recording and reporting of performance data to acting on that data and actually using it to drive service improvements. This has been one of the biggest improvements in recent years – the depth of performance data is empowering to managers and members who need to both demonstrate value for money and target under-achievement.

Measures of success of the performance framework are recorded in Covalent and reported regularly to key officers. This data was used to review progress of the new framework over the first 18 months, and acts as a useful evidential trail from an audit

perspective. The outcome was favourable - we found that as the framework became increasingly embedded the total number of actions on the system increased but the number of overdue actions decreased. At July 2009 the proportion of overdue actions is at its lowest level (7%) since the new framework was introduced and continues to steadily decline. This suggests that the new framework and the Covalent system are becoming increasingly embedded.



Sedgemoor's Performance Team has created an intranet support site for Covalent users, which includes help guides and downloadable manuals, as well as useful information on best practice. This was particularly useful in the early days of rolling out the system, when users were unfamiliar with it and had lots of questions. (In fact this would be a recommendation to others who are going through the rollout stage). As Covalent has become increasingly embedded in the day-to-day work of staff, the support site has been streamlined and now focuses on how to get the best out of the system rather than just how to use it.



Recent changes to the local government performance framework and the introduction of the Managing Performance

KLOEs have raised the profile of performance management further. As a result the Performance Team has been running drop-in sessions on Covalent where anyone can turn up and ask questions.

## The Benefits

Performance management has been strengthened considerably as a result of the introduction of Covalent. The system has allowed the Council to overcome the limitations of previous manual paper-based systems while also harnessing the new potential of an electronic system to manage performance in ways not possible before. Covalent has simplified the processes of data recording, reporting and monitoring, while strengthening the analysis and targeting of improvement activity based on that data.

In the first instance Covalent has simplified the process of tracking and monitoring performance, therefore freeing managers and Members to concentrate on the actual *managing* of performance. Similarly, because the system operates in 'real-time' and automatically alerts users to areas of concern, the Council is much more pro-active in managing performance and thus quicker to respond to areas of concern.

The Council has also benefited from Covalent's ability to handle not just large quantities of data, but also to form links between actions, PIs and risks, i.e. clearly showing which indicators relate to which actions, and which mitigating actions relate to which risk etc. As a result the golden thread has become clearer and it has become easier to form a corporate view of performance.

The increase in transparency and availability of performance data has resulted in greater ownership and accountability for performance. Managers and Members now have access to much more timely data, and are free to perform their own analyses and benchmarking directly on the system. Since it's easy to identify "who is doing what and by when", progress against projects is clearer, which also empowers the scrutiny function.

More recently Covalent has also helped to strengthen the Council's approach to data quality, which underpins the new National Indicator set and CAA inspection framework. It does this by providing a standardised approach to handling performance data – all results are managed by *one* system and assessed using *one* methodology. Furthermore, the system only accepts results within certain parameters, it automatically calculates results based on numerators and denominators, and facilitates the use of timely data by operating in real-time. All of these issues would be difficult to evidence to auditors using previous manual systems.

From an administration point of view, the day-to-day work of performance managers is more efficient, particularly in the reporting of performance. Covalent reports are used at all levels in the organisation – the detailed Corporate Performance Reports that used to be time consuming to produce have been streamlined and much easier to produce by combining the output of several Covalent reports. The system's automation of 'number crunching' emphasises the shift in emphasis from the recording/reporting to acting on data.

In summary, the benefits realised since the introduction of Covalent are:

- Introduction of a comprehensive and corporate performance management system;
- Provides a corporate approach to managing and monitoring performance;
- Increased accountability for performance;
- Increased transparency – very easy to identify and keep track of "who is doing what and by when";
- Access to performance information in 'real-time' rather than waiting for the quarterly reviews;
- A single source of performance data – users know where to go to get the data they need;
- Easier and quicker access to performance data;
- Ability to search and manage high numbers of actions and recommendations from service plans, inspections and reviews;
- More proactive performance management and quicker to respond to areas of concern;
- Engaging users as they can see how their performance fits into the 'Golden Thread' and how the data is used;
- Strengthened approach to securing data quality;
- More empowered scrutiny function;
- Ensuring continuity as users are familiar with just one system.

These benefits have helped the Council address the performance issues raised during its CPA inspection, in particular the need for a comprehensive and corporate performance management system. It has also been instrumental in raising the profile of performance management generally across the organisation, and it's clear that the systems and processes in place are much more robust as a result. These improvements have been reflected in recent external assessments of our performance management arrangements.

## How are we doing?

In 2009 we received a number of positive reviews in recognition of the improvements we have made on performance management, and our use of Covalent has been central to this.

The latest Annual Audit Letter (March 2009) identified performance management as a strongly improving area within the Council:

*"The Council has taken steps towards a more systematic approach to improvement planning and managing performance. Improvements over the past year are helping the Council to better measure and improve progress towards its objectives. The introduction of a new performance management system (Covalent) has established better processes, clearer prioritisation and accountability and better quarterly reporting. This is assisting the Council in monitoring all actions, budgets and targets, drawing costs and performance together";*

*"The Council was recognised out of 130 councils and other public sector organisations as a pioneer in performance management at a recent national Covalent conference, indicating that good progress is being made".*

*"The Council is addressing known weaknesses in its arrangements to sustain improvement and strengthening corporate governance";*

*"A new 'actions tracking and performance improvement group' of officers and councillors is allowing better scrutiny of areas of concern";*

*"Progress against 2008/09 plans, targets and milestones is good, supported by improving performance management arrangements;*

A recent IDeA Peer Review conducted in March/April to assess the Council's 'preparedness' for CAA also identified performance management as a strength and specifically highlighted the role of Covalent. They concluded:

*"The council has a strengthening performance management culture. Staff and managers are clear about the council's objectives and their role. There are good systems for measuring and reporting, which help the council to understand how it is performing. The council's political and managerial leaders play an active part in this. Under performance is being tackled and the council is working on ways to sharpen responsibility and accountability roles still further".*

In the latest internal audit on Service Planning, the South West Audit Partnership (SWAP) identified the following as key strengths of the Council:

*“The Performance Framework is fully embedded.”*

*“There is a robust action tracking process via the Council’s Performance Management system, Covalent.”*

Covalent thanked Sedgemoor for being a pathfinder customer at its annual conference in October 2008, by giving the Council all the remaining modules of the system free of charge. The Council welcomed this gesture and is planning how best to use the new modules.

## Plans for the Future

There is, however, still much work to do on embedding the performance framework and developing a performance culture across the organisation. Covalent will be central to this aim by providing the mechanism to manage and monitor performance corporately.

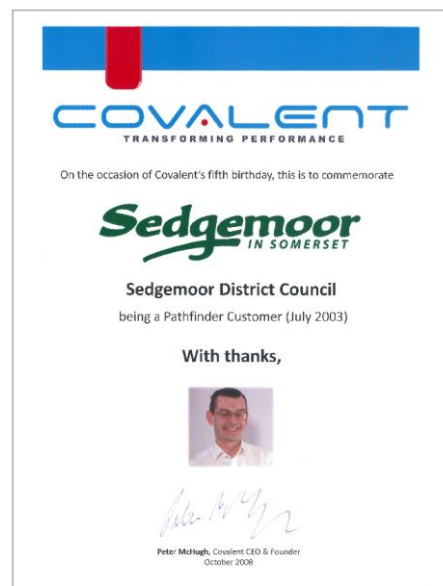
Status	Code	Action Title	Assigned To	Managed By	Part/Full Member	Due Date	Latest Status Update
Key Deliverables	21	Conduct annual review of the Constitution	Malcolm Bellman	Bob Brown	Clr Duncan McGilly	31/03/2010	
Key Deliverables	22	Provide understanding and procurement support (either on-line or in person) for Council members to produce a bid report	Malcolm Bellman	Bob Brown	Clr Duncan McGilly	31/03/2010	
Key Deliverables	23	Review RRP policy	Malcolm Bellman	Bob Brown	Clr Duncan McGilly	30/06/2009	The report on the Regulation of Investigatory Powers Act 2000 and other proposed amendments to the Council Policy and Procedures for the Supply of Information for use in connection with the Regulation of Investigatory Powers Act 2000 was approved by the Council on 23/06/2009. The amendments will now go forward to Full Council.
Key Deliverables	24	Appoint new members to the Independent Remuneration Panel	Andrew McHugh	Malcolm Bellman	Clr Duncan McGilly	30/09/2009	
Key Deliverables	25	Finalise 12 month Finance Plan	Andrew McHugh	Malcolm Bellman	Clr Duncan McGilly	30/04/2010	
Key Deliverables	26	Appoint Scrutiny Officer	Andrew McHugh	Malcolm Bellman	Clr Duncan McGilly	31/07/2009	Job Description & Person Spec prepared. Currently awaiting Council Resolution (to be done by Full Council).
Key Deliverables	27	Conduct Council and County relations without challenge	Chris Pacey	Malcolm Bellman	Clr Duncan McGilly	30/06/2009	Continued to work with the European and County relations team to ensure a smooth transition.

One of the ways we will be doing this is by setting up a “Performance Management Management Team” (PMMT), which meets monthly to focus solely on performance issues, particularly overdue actions. Covalent will support this new process by providing regular exception reports on the Council’s overdue Key Deliverables, allowing management to focus on the real issues – taking action to ensure they are delivered.

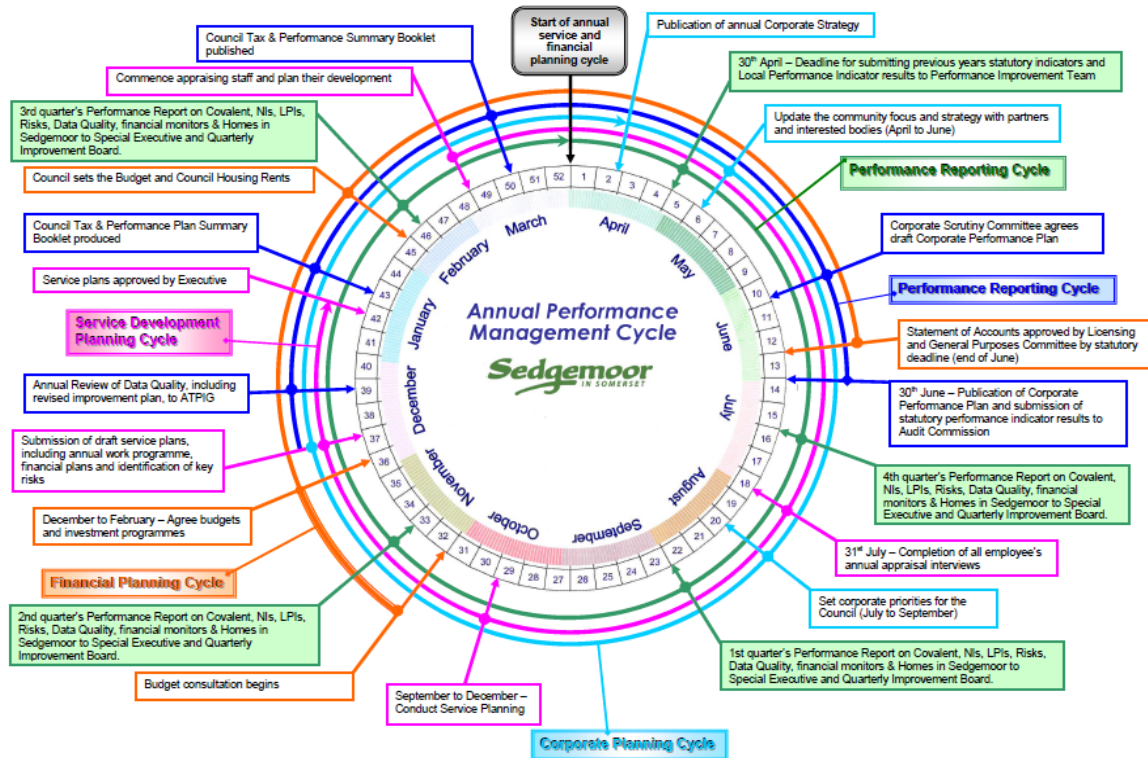
We are also rolling out a new process for monitoring SWAP audit actions to strengthen our scrutiny process. In the future, Corporate Scrutiny Committee will receive a specific report on the overdue actions produced from Covalent.

## Conclusion

Sedgemoor’s approach to performance management has been strengthened considerably in recent years, and the recognition it has received in external assessments demonstrates this. The new performance framework relies upon the strengths of the Covalent system for regular monitoring and reporting, with the system now being an integral part of the Council’s annual performance cycle.



Although the rapidly changing nature of Local Government means the future will be challenging, Sedgemoor District Council remains committed to developing performance management as a key method of achieving its aim of being a “High Quality, Low Cost” authority. Its use of the Covalent system will be a fundamental part of that.







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