

# Partnerships and Performance Management

**Merseyside Waste Disposal Authority**

**Audit 2005/2006**

The Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively, to achieve high quality local services for the public. Our remit covers around 11,000 bodies in England, which between them spend more than £180 billion of public money each year. Our work covers local government, health, housing, community safety and fire and rescue services.

As an independent watchdog, we provide important information on the quality of public services. As a driving force for improvement in those services, we provide practical recommendations and spread best practice. As an independent auditor, we ensure that public services are good value for money and that public money is properly spent.

### **Status of our reports to the Trust/Council**

Our reports are prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission. Reports are prepared by appointed auditors and addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body, and no responsibility is taken by auditors to any director/member or officer in their individual capacity, or to any third party.

### **Copies of this report**

If you require further copies of this report, or a copy in large print, in Braille, on tape, or in a language other than English, please call 0845 056 0566.

© Audit Commission 2005

For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 020 7828 1212 Fax: 020 7976 6187 Textphone (minicom): 020 7630 0421

[www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)

# Contents

Introduction	4
Audit approach	4
Main conclusions	4
Detailed findings	6
<b>Appendix 1 – Action plan</b>	<b>10</b>

## Introduction

- 1 This report sets out our findings following a review of partnership working and performance management at Merseyside Waste Disposal Authority.
- 2 Partnership working has become central to the way in which Merseyside Waste Disposal Authority (the authority) decides policy and delivers services. It is therefore important that it obtains maximum benefit from these arrangements.
- 3 Performance management is key to ensuring that the authority delivers quality services and is able to drive continuous improvement.

## Audit approach

- 4 The review of partnership working drew on the experience of its officers, members and partners and a diagnostic assessment was used to identify the strengths and weaknesses of Merseyside Waste Disposal Authority's partnership arrangements. Follow up interviews were held with key members of staff.
- 5 The purpose of the work on performance management was to assess how well the authority manages performance and to suggest solutions to any issues raised by addressing three key questions.
  - Is there a consistent, rigorous and open approach to performance management?
  - Do the authority know how well it is performing against planned outcomes?
  - Is knowledge about performance used to drive continuous improvement in outcomes?
- 6 The authority was asked to complete a self-assessment document, and key members of staff were interviewed to gain further clarification.
- 7 The conclusions and recommendations arising from the reviews are set out in the report.

## Main conclusions

- 8 Merseyside Waste Partnership (the partnership) is developing good arrangements to improve partnership working. A memorandum of understanding for the delivery of the Joint Municipal Waste Management Strategy (JMWMS) has been developed, although it is too early to assess the impact of this, and pooled targets are being used to improve joint working.
- 9 However there is a lack of consistency of views amongst stakeholder groups about which aspects of partnership working are working well, and which are not. There is a need for better communication about roles and responsibilities in order to address this.

- 10 Arrangements for managing performance and a more coordinated approach to the achievement of targets are being developed. Several of the Authority's internal processes are currently under review and there is a high level of self-awareness and willingness to improve performance.
- 11 Processes are in place to monitor performance, and improvement plans are developed to respond to areas of under-performance. However, there needs to be a more consistent approach to challenging performance, more timely production of performance information and project deliverables should focus more on the outcomes for local communities and users.
- 12 The detailed findings are set out in the main section of the report and the key recommendations are set out below.

#### ***Recommendations for partnership working***

*R1 The Authority must ensure that partner roles and responsibilities are understood and used effectively by all stakeholders.*

*R2 The Authority must identify and review its processes for communication with partners and stakeholders including:*

- establishing mechanisms to gather feedback from all stakeholders on its performance as lead authority, and the performance of the partnership itself; and*
- enhancing structures to improve communication and facilitate the day to day running of the partnership.*

#### ***Recommendations for performance management***

*R3 The Authority should ensure that performance information is not just shared, but also challenged and debated in order to provide impetus for improvement.*

*R4 The Authority must encourage its partners that providing timely performance information will be of benefit to the whole of Merseyside.*

*R5 The Authority should stress the importance of representatives at the Waste Management Advisory Group (WMAG) and the Senior Officer Working Group (SOWG) being as consistent as possible.*

*R6 The Authority should be more user focused in its consideration of project outcomes.*

## Detailed findings

### Partnership working

- 13 We carried out a survey of partners to assess their perception of what is working well and the areas for improvement. Around 60 questionnaires were sent out, and there were seventeen responses. This disappointing response rate indicates that stakeholders are not effectively engaged in the partnership. The overall responses were analysed and discussed with key officers.
- 14 The analysis highlighted there are differing views about how the partnership operates. District council staff and elected members have broadly consistent views that the Waste Authority is strong at analysis and direction but that delivery and monitoring are weaker areas. However, Authority staff have an opposite view and see delivery and review as being strong whilst direction and resource allocation are seen as being weaker.

**Figure 1 Survey of partners**

Category	Perceived Strengths	Perceived Weaknesses
District council staff	Situation assessment	Action* Monitoring
Elected members	Direction & framework Situation assessment	Action Monitoring Review*
MWDA staff	Action Monitoring Review	Direction and framework Situation assessment Strategy Delivery framework Committing resources*

\* lowest score

- 15 There is a lack of understanding about the roles and responsibilities of different partners. This has led to uncertainty amongst partners of the identity and function of the partnership. In particular, a poor understanding by stakeholders of the authority's role is clear from the low response rate to the questionnaire, and the mixed messages it revealed. This poor understanding is beginning to be addressed through more formal arrangements around partnership working but there is a need for the Authority to communicate more effectively with district council partners and members .

- 16 Steps are being taken to clarify the individual roles of the partners. A newly developed memorandum of understanding provides a framework to ensure the co-ordinated delivery of the JMWMS. Whilst it is too early to measure the impact, it sets useful guiding principles for partnership working and operational arrangements. In addition, the introduction of pooled targets within the JMWMS is designed to improve the focus on partnership working.
- 17 There are further areas to address. The authority is not effectively communicating partnership issues and developments with partners, as evidenced by the variable survey results. The survey highlighted the lack of clarity about the roles and functions of different partners and there are no mechanisms for communicating with and gathering regular feedback from partners. The Authority needs to improve communication in order to strengthen and develop effective partnership working between stakeholders. In order to achieve and maintain this, the Authority should designate responsibility for improving communication and the general day to day running of the partnership.

### **Performance management**

- 18 There is a need to improve the management of performance and steps to ensure a more proactive approach to managing performance are being taken.

### **Structures**

- 19 The member induction, training and development plan has helped members to understand the salient issues of waste management. This is evidenced through an improving level of challenge and debate.
- 20 Arrangements at member level are not yet fully effective. The WMAG is the policy discussion forum for officers and elected members and advises the Authority on strategy. Whilst the WMAG aims to improve joint working and decision making, it is important to note that it has a large membership and inconsistent attendance levels which results in a slow decision making process, which in turn, slows down the performance management process.
- 21 Structures to manage performance at officer level are being strengthened. The SOWG is responsible for developing and implementing the JMWMS. It is intended that the role of the SOWG will change to include the performance management of the joint and individual targets within the JMWMS. The JMWMS itself has helped to build trust between stakeholders on the waste agenda.
- 22 Attendance at the SOWG is adequate, however the inconsistency in attending officers from some authorities signals a lack of commitment that could damage the cohesiveness and effectiveness of the working group.
- 23 The decision making process of the Authority is currently being reviewed by consultants, and the working groups' ability to deliver actions are being assessed as part of this.

## Use of information to improve performance

- 24 The Authority is working to ensure that its waste contracts are increasingly aligned to its corporate objectives. Review cycles are structured as part of waste contracts, and remedial actions are taken as necessary, but in the past the performance of these contracts has been driven by finance. Now as contracts come up for renewal, they are being amended to include performance indicators which are aligned with the Authority's objectives. The new 25 year PFI procurement contract incorporates enough flexibility to enable it to adapt to changing objectives.
- 25 The Authority is neglecting opportunities for using performance monitoring to drive performance improvement. The Authority has structures in place to monitor performance against joint targets, but these are mainly used to share information rather than to challenge performance. Likewise, the Authority monitors performance indicators, contracts and major projects on a quarterly basis and reports its findings to partners. However, this information is not used consistently to drive performance improvement although there are examples of where issues have been addressed. For example, one poorly performing Household Waste Recycling Centre (HWRC) was asked to develop a remedial plan due to poor performance, and is now improving.
- 26 Improving performance management arrangements is important. The Authority is aware of the challenge it faces in order to meet the increasing targets for recycling levels, and the decreasing target for household waste collected and household waste landfilled and strong performance management will be a key tool to ensure that these challenges are met.
- 27 Arrangements are being put in place to support better performance management. The JMWMS was developed in order to meet these challenges and the Authority is piloting a performance management software package which was designed by St Helens Council. It will provide access to performance information, including Best Value Performance Indicators and risk management for all of the Authority's staff and members. The information from the system will be used to generate discussion at performance meetings.
- 28 The Authority's information management will also benefit from the new waste management information system; However, the usefulness of the information system will depend upon the timeliness of information such as recycling credit claims received from the waste collection authorities. In the past the timeliness of such information has sometimes been poor. Because the Authority and the district councils share performance information, but have some individual performance targets in addition to their joint targets, it is important that they all understand the need to share information on a timely basis so that they do not hold back the achievement of each other's targets.
- 29 Resource management is not currently integrated with performance management, but is being reviewed as part of the review of the performance management system. Prioritising of resources in line with performance management priority issues will be done through the performance management framework.



- 30 The Authority needs to be more user focused in its action planning. For example, the MWDA's vision in the JMWMS states that it aims to improve the quality of people's lives, but it is not clear from the draft corporate plan, how the aims, objectives and deliverables relate to this vision. It needs to focus not only on the national waste agenda, but also on the specific needs of local communities.
- 31 The Authority has processes in place for service users, staff and other stakeholders to contribute to performance review. The Authority established citizens' juries as part of the development of the JMWMS. The Authority invites external evaluation and benchmarking to improve services. For example by working with the Waste Collection Authorities and the NHS it was able to reduce the amount of clinical waste collected, and therefore make financial savings. It uses DEFRA and consultants to provide challenge, and make comparisons with other Joint Waste Disposal Authorities (JWDAs).
- 32 User comments and complaints have been used to inform service development, for example redesigning HWRCs to avoid lifting up of waste, and improving the service for disposal of asbestos. The system for service users to submit complaints or comments about service performance is currently under review. In the past the contracts section have monitored this and addressed comments on a case by case basis, but it is intended that in future this will be done at a corporate level in order to produce and monitor more useful management information.

## Appendix 1 – Action plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
<i>Partnership working</i>						
5	R1 The Authority must ensure that partner roles and responsibilities are understood and used effectively by all stakeholders.	3	C Beer	Agreed	<p>Waste Summit undertaken to raise awareness levels of District Leaders/CX and buy-in to the procurement process.</p> <p>Planit Waste Workshop (waste management simulation) to take place early 2006. Participants to be taken from WDA/WCA Members. Key messages are the promotion of partnership working and the correlation between WDA/WCA decisions.</p>	<p>November 2005</p> <p>January 2006</p>
5	R2 The Authority must identify and review its processes for communication with partners and stakeholders including:	3	A Valentine	Agreed	<p>Implementation of PMF and Waste Management Information System (WMIS) to assist in the production of performance information.</p> <p>Dissemination of information to be reviewed which will incorporate feedback mechanisms and enhance communications.</p>	<p>January 2006</p> <p>March 2006</p>

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
	<ul style="list-style-type: none"> <li>establishing mechanisms to gather feedback from all stakeholders on its performance as lead authority, and the performance of the partnership itself; and</li> <li>enhancing structures to improve communication and facilitate the day to day running of the partnership.</li> </ul>				Communications Policy being developed with future plan for a Communications Strategy. Recommendations will be picked up as part of the strategy development.	January 2006 (Policy) April 2006 (Strategy)
<b><i>Performance management</i></b>						
5	R3 The Authority should ensure that performance information is not just shared, but also challenged and debated in order to provide impetus for improvement.	3	A Valentine	Agreed	Considered as part of R2 review above.	

12 Partnerships and Performance Management | Appendix 1 – Action plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
5	<p>R4 The Authority must encourage its partners that providing timely performance information will be of benefit to the whole of Merseyside.</p> <p>R5 The Authority should stress the importance of representatives at the Waste Management Advisory Group (WMAG) and the Senior Officer Working Group (SOWG) being as consistent as possible.</p>	3		Agreed	<p>Review (see R2) will also consider feasibility of offering assistance to WCAs in completion of Waste Data Flow information/performance indicators.</p> <p>Letters will be sent out from Chairman and Director to all Leaders/CXs re R5.</p>	<p>March 2006</p> <p>January 2006</p>
5	R6 The Authority should be more user focused in its consideration of project outcomes.	2	Strategy	Agreed	Communications Strategy will pick up actions to improve user-focus, which may include review of Citizen's Juries and a Community Plan.	April 2006