

Stockton-on-Tees Borough Council

“Chipping away” at performance management

Stockton-on-Tees Borough Council was rated 'Excellent' as part of the [Comprehensive Performance Assessment](#) in 2003 and scored 3 out of a possible 4 points for Performance Management in its Corporate Assessment.

How this case study might help other authorities

Stockton-on-Tees Borough Council is a good example of how firm, directed leadership can, through a series of iterations, and by constantly chipping away at it, create a culture where performance management becomes part of the normal way of doing things.

This case study will be of interest to authorities that want to:

- enhance the role of political and managerial leadership in driving improvement;
 - engage staff at all levels of the organisation in order to embed customer-focused performance management in day-to-day activity;
 - build the capacity of staff to manage and improve performance through development and networking opportunities;
 - maintain momentum on their improvement journey through learning and external challenge.
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Stockton in context

Stockton-on-Tees is a medium-sized authority in the northeast of England, with a population of about 186,000, a £202 million revenue budget, and 8,000 employees. Strategic leadership takes place in the context of a mixed geographical area, both rural and urban, with some areas of high deprivation mixed with affluence. It is one of the 88 Neighbourhood Renewal Fund areas. A key priority for the Council, and its partners, is addressing the challenges posed by such diverse communities with different needs and expectations.

The Council became unitary in 1996, and changes to performance management date from that time. It was the drive of the Chief Executive, an ardent supporter of performance management, that was critical in the move to improve. To help achieve his objectives for the Council he brought in similarly committed senior staff. Producing an effective performance management system and culture has been a gradual and long-term process.

Improvements in performance management have helped Stockton deliver improved services for local people. The environmental services provided by the Care for Your Area Team (featured in this case study) have shown rapid improvement through an enhanced focus on performance management, moving from a 1-star to a 3-star inspection rating within a period of two years.

Strong leadership

The Chief Executive and management team have been committed to, and driving, performance management since Stockton's formation as a unitary council. This continuity of senior management focus is seen as one of the principal reasons for Stockton's improvement. As one senior officer explains:

“The biggest single driving factor is the Chief Executive, who is strongly committed to improving the performance, and with formal performance management techniques as one of the ways of doing that.”

The Chief Executive recruited senior staff to the corporate centre with the relevant experience and commitment to help him implement performance management. For these new recruits, support from the top was essential to achieving that objective; as one of them, Jenny Haworth, Head of Policy & Performance Standards, expresses forcibly:

“If you have a Chief Executive who doesn’t genuinely believe, as a minimum, in a focus on how the organisation is performing . . . I would say, ‘go and work somewhere else’. If [senior managers] are paying lip service to performance management, you can’t get anywhere.”

Stockton’s Chief Executive leads by example, demonstrating his commitment to performance management processes by actively participating in them. Undertaking regular appraisals of senior staff has been a very visible way of communicating to the rest of the organisation that performance management is something which has to be done, not just talked about.

An improving organisation

Achieving improvement in Stockton has taken several years, and is a journey that is not yet complete. Some of the key elements of change were improving service planning, improving performance measurement and monitoring and chipping away at the organisational culture.

In the early stages of Stockton’s improvement journey, [a booklet for staff](#), authored by Anthony Gardner, the Assistant Chief Executive, emphasised the importance that senior management attached to using performance management to drive improvement. Anthony Gardner views improvement in performance management as an iterative process, in which “you nudge forward, stop, review, recheck, amend and move forward.” He goes on to explain:

“We have always seen it as a journey; but one without an end. You can always do better. We have never seen it as an overnight job . . . We always realised it would take at least 3 or 4 years, and we have been steadily chipping away at it over time.”

And it has been essential to maintain staff and member interest. Jenny Haworth again:

“A strength here is the consistency of focus on performance management over time. It takes time and continued attention to embed it. Every couple of years you have to change what you do to enliven it, or else people get bored. You have to keep stretching it. You’re either moving forward or you fall backward.”

As well as being a long journey, for Stockton it has been an uneven one, with progress at different speeds in different parts of the organisation. It has taken time to get the culture embedded, as described by Mike Batty, Head of Community Protection:

“The culture of the organisation is such that performance improvement and performance management are non-negotiable. In the first couple of years here, there was a fair background level of whinging amongst middle managers about demands of performance management. You don’t hear that now. People still bemoan their workload, so they might include performance management in that, but they’re not picking it out as being something specifically objectionable. So there is a wider acceptance that it’s part of the day job. It is embedded in the culture.”

There are two elements to the culture in Stockton: a culture of performance and a culture of performance management. The former derives from a philosophy of continually striving for improvement; the latter is focused on using performance management as a tool to help achieve that. The culture has been “pushed and pulled” into existence by a mixture of clear-cut, non-negotiable requirements, support and encouragement. And the cultural change has happened in tandem with changes to the performance management system, ensuring that staff and members are willing and able to use it. Getting people “on board” has been important. Anthony Gardner again:

“People come on board for a variety of reasons – frightened they won’t get through inspection, or because we are able to show them the benefits [of performance management] to services. We would develop papers, provide guidance on service plans, and get people signed up. There was a mix of roles for the corporate centre of supporter and regulator. . . . You need to provide a consistent framework and support people through it. For instance, with service planning we provided broad headings, talked them through it to show how it’s sensible and why it’s important, then left them the flexibility to work through it.”

Jenny Haworth reiterates the need for a supportive but regulatory approach:

“We don’t want big sticks. The theoretical thinking says that if you are too controlling, then people will pervert the system and there is a lack of trust, so an open performance culture is vital. But there is still a role for accountability – you need some evaluative element and the ability to say ‘this level of performance isn’t good enough’.”

Putting customers first

Another important culture-change initiative at Stockton has been the ‘Customer First’ programme, supported by a small team of staff whose aim has been to make the Council more sensitive to its customers. This has included a Council-wide awareness-raising and training programme, development of customer care standards and awards for staff (individuals and groups) that have performed well. The 2003 corporate assessment report commented:

“The extensive preparation and launch of Customer First is a good example of how staff and members are well briefed and clear about their roles and organisational direction.”

There is a good practice register on the intranet that includes, for example, information on different cultures and approaches to consulting with minority communities. This information is already leading to higher standards and better understanding of the specific needs of our minority ethnic communities. The register will be extended to

include other minority groups, such as people with disabilities, as the implementation of the Customer First programme progresses.

A key learning point for Jenny Haworth in making the connection between encouraging staff to improve performance and generating better outcomes for local people has been the need to keep things simple and avoid unnecessary jargon:

“The words ‘performance management’ turn people off. They see it as an incredibly complicated system, a pain ... for most staff it should simply be about appraisal which has targets, and they should be in alignment with what the unit is trying to do, and in alignment with the service, and so on.”

A performance management system that suits

Stockton has a relatively decentralised approach to performance management. Action planning occurs at four levels within the Authority: council; department; service head; and unit or team (sometimes with targets at the individual level).

Each of the departments has a dedicated performance management officer. These staff meet every two or three weeks with the Assistant Chief Executive, allowing a two-way flow of information and an opportunity to develop new thinking, for example, on developing approaches to risk management. There is a good deal of flexibility across the departments in the approaches to managing performance, for instance, in the extent to which they might use particular quality or [improvement models](#) such as process mapping, ISO9000 or the EFQM Excellence Model. It is Stockton’s view that imposing “straightjackets” on staff is not the best way to encourage them to engage with performance management.

There has been a staged development in performance management and the way it is used. First, services were persuaded that performance measurement was useful. This was followed by a tendency for staff to submerge themselves in masses of indicators. Then they started to focus on just a few key ones. The Assistant Chief Executive described the process:

“We had the situation of staff saying ‘we’re professionals, not managers who collect information’. So you get them to agree three indicators. Then they say, ‘we’re too complex, so we need lots of measures’. Then they realise that’s far too unwieldy, so you end up with a few key measures but a lot of underpinning information below that. So if the measures at the top aren’t working well you can easily access a raft of information. Then you can start showing other people in the organisation that it can be done.”

The final stage of development has been to move from a focus on plans and indicators to taking stock and taking action as a result of the monitoring. There has been concern among managers about what the response from members might be if things haven’t been going well, and whether such knowledge might be used as part of political battles, but Stockton’s senior management view is that if nothing is done with the information, the collection and monitoring of it is a waste of time.

Involved members

The officer leadership is supported by what they see as strong political leadership, that is prepared to face difficult decisions, stick with a line and push things through – but also prepared to recognise when something has gone wrong. As with the managerial

leadership, there has been a good deal of stability in the political leadership. There are good relations between members and officers, and a good deal of trust, "because there is delivery", but members are still prepared to ask hard questions and hold officers to account.

Performance information goes to the Executive and to (Scrutiny) Select Committees, with a basket of around 70 corporate indicators used for tracking progress. A 'traffic light' system shows which indicators are, and are not, on target and where there are negative trends in performance. Several different ways of presenting the data have been tried to make it more interesting and relevant, with an emphasis on making data more informative. While this has already worked well in engaging members – and Select Committee chairs have received external training to help them carry out their functions – there is a feeling in the Authority that there is still further to go in developing members' roles in performance management.

People, skills and learning

Stockton continues to develop a range of mechanisms for learning, communicating about performance management and building the capacity of staff to manage and improve performance.

The Setting the Standard Group has operated since 1997 and is formed of the top 100 managers. They meet for half a day 2-3 times a year to discuss key improvement and cultural issues and identify solutions for moving things forward. There are also lunchtime drop-in sessions on specific policy issues such as crime and community cohesion, which are widely attended.

'Improvement clinics' were introduced in September 2003. These are meetings between the corporate management team and heads of service. They come together for 2-3 hours every three months to look at key issues, how they can improve, and what good practice they can share. The aim is to have a mature discussion about why things are not going well. Managers were initially fearful that the clinics would be "like a 'star chamber'", where they would be taken to task, but the clinics are now generally seen as a supportive way of helping to turn around poor performance.

Managers are also supported by a management development programme, which was piloted for a year and is now being rolled out. This programme encourages the types of behaviours required to meet current and future local government challenges. For example it considers approaches to turning strategy into action, change management and partnership working.

External assessments such as inspections and Local Government Improvement Programme Peer Review have been welcomed, and opportunities are taken to learn from other authorities wherever possible. In some cases learning has been a by-product of undertaking peer reviews in other authorities. Internal learning also takes place, with officers and expertise from higher performing services being used to help in the poorer performing areas. For example, responsibility for leisure centres was transferred to the Care for Your Area management team, so that leisure centre managers would benefit from their experience of driving improvement. Also, the approach to performance monitoring used in the Care for Your Area Team was adapted for use with the Planning service improvement plan.

What performance management has helped Stockton-on-Tees to achieve

Dramatic improvement has been achieved in recent years in the services provided by the Care for Your Area Team – covering street cleansing, refuse collection and grounds maintenance – as a result of improved performance management. Following a Best Value review, the service was inspected in 2001 and judged to be a ‘fair’ service with ‘promising’ prospects for improvement. On re-inspection in 2003 the service was judged to be ‘excellent’ with ‘excellent’ prospects for improvement.

The BV review identified a number of weaknesses in the way that performance of the services were managed, with a lack of robust data about performance, poor understanding of indicators, poor systems for tracking requests for work and complaints, and insufficient challenge to under-performing staff. The review action plan identified a vision for the services and a two-pronged approach to improvement – targeting both the systems and the culture.

A stronger management team, a “state of the art” customer service system and investment in developing staff were some of the key elements in bringing about change. Alongside this the Council made a considerable investment in new vehicles and machinery, created “hit squads” to undertake targeted street cleansing, and devised a “No Messing” publicity campaign to engage the public in helping to bring about improvement. Also important were making clear the connections between what staff do and the achievement of service (and Council) objectives through developing individual performance targets, and increasing the focus on customer satisfaction. Certain “cultural practices”, such as sickness absence, have also been challenged, for example, by linking good attendance to performance rewards.

While there was much initial resistance to change by staff, the clear management focus on the need to improve, providing support for staff to change, and developing better systems for measuring and monitoring performance have led to the people of Stockton receiving improved services.

Using this case study

What makes PM effective at Stockton	How it has been achieved/demonstrated
Strong leadership focus on performance management	<ul style="list-style-type: none">▪ A Chief Executive who has taken the lead on, and actively engaged in, developing performance management over a long period of time.▪ Recruiting senior staff committed to performance management who developed and championed the process.

What makes PM effective at Stockton	How it has been achieved/demonstrated
A strong, embedded “performance management culture” combined with a “culture of performance”	<ul style="list-style-type: none"> ▪ Developing a clear, simple, non-negotiable performance management framework within which staff are expected to operate – while allowing flexibility to make performance management work at the local level. ▪ Providing support and guidance for staff to help them implement changes in performance management. ▪ Continuous improvement in performance management arrangements combined with incremental cultural change.
Learning is built into the way the Authority does things – they are open to external challenge and learning from elsewhere	<ul style="list-style-type: none"> ▪ Embracing external challenge as an opportunity to improve. ▪ Establishing networks of staff to discuss and develop approaches to performance management. ▪ Recognising, rewarding and sharing good practice across the organisation.

Things to think about in your authority/service

- How has your own performance management been used to improve outcomes for service users and the wider community?
- In what ways do leaders (at all levels in the organisation) demonstrate that performance management is important?
- What improvements have been made to elements of performance management in the last year or so and what impact have these had?
- What improvements to elements of performance management are being planned?
- How are elements of good practice in performance management shared across the organisation?
- How does your performance management provide a focus on customers?
- How are members actively engaged in managing performance?
- What fora exist for managers and staff to discuss performance issues and develop approaches to performance management?