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East Ayrshire Council
Chief Executive's Office

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Passed to _____ Action
For Info File

Dear Fiona

Strategic Self Assessment of Performance 2008

I have pleasure in enclosing my final report on the above review for your consideration. I would like to take this opportunity to once again thank you and your colleagues for your cooperation and support throughout the review.

As previously discussed, I will be pleased to meet with the Council Leader and yourself when appropriate to discuss matters arising from the review. However, please feel free to contact me directly if you wish to discuss any aspect of the report prior to that meeting.

Regards



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East Ayrshire COUNCIL

Strategic Self Assessment of Performance 2008

Report by Alastair J.H. MacNish, OBE



Remit

To facilitate the conduct of the Council's Strategic Review and Self Assessment of Performance against Best Value criteria 2008 and act in the capacity of a critical friend to assist open and frank discussion of high level performance resulting in the development of an appropriate and challenging improvement agenda.

Conduct of Review

Before engaging with the Corporate Management Team (CMT) collectively, I interviewed each of the Corporate Directors at some length. Areas covered in these sessions included the shared services agenda, efficiency savings, annual performance reviews, single outcome agreement, benchmarking, scrutiny, leadership, budgetary constraints and performance against statutory performance indicators and I will comment on each of these issues later in this report.

In each case I found the directors to be frank, honest, constructive and particularly helpful to me in the understanding of differing pressures felt by them individually. What was abundantly clear was the considerable support and confidence they have in the Chief Executive and their clear determination to achieve continuing improvement in service delivery.

At a time of tight financial constraints, not unexpectedly, there were tensions between front line service directors and support services but I did not get the impression that this in any way inhibited their ability to achieve consensus on the way forward.

The joint meetings with the CMT were spread over 3 days and examined each area of performance against the best value criteria. The areas examined were commitment and leadership, responsiveness and consultation, sound governance, sound management, review and option appraisal, competitiveness and trading, sustainable development, equal opportunities, joint working and accountability.

As a result of these meetings and the considerable and invaluable work undertaken by the CMT and Support Officers within the authority prior to the meetings, an appropriate and challenging improvement plan will be submitted by the Chief Executive to Council early in 2009.

Findings

1. Strategic Self Assessment of Performance Against Best Value Criteria 2008

In 2006 the Council established a scoring matrix to be used in arriving at a corporate strategic self assessment of performance and the same matrix has been used in the current review. A copy of this matrix is detailed in the Appendix.

I believe the findings on the 10 main areas of performance detailed below to be robust, accurate and most importantly evidence based.

The agreed scoring of performance by the CMT is shown against each heading with the 2006 score shown in the adjoining column.

<u>Best Value Criteria</u>		<u>2008</u>	<u>2006</u>
Commitment & Leadership	Strategic Direction	4	5
	Scrutiny	5	5
	Conduct	5	5
	Openness	5	5
Responsiveness & Consultation	Responsiveness	4	5
	Consultation	5	5
Sound Governance	Planning & Budgeting	4	5
	Performance Management	4+	5
Sound Management	Risk Management	4+	4
	Employees	5	5
	Fixed Assets	4	3
	Procurement	5	4
	Financial Stewardship	6	6
Review & Option Appraisal	Best Value Review	5	5
	Option Appraisal	4	4
Competitiveness & Trading	Competitiveness	4	4
	Trading	5	5
Sustainable Development	Sustainability	4+	4
Equal Opportunities	Equalities	5	5
Joint Working	Partnership Working	6	6
Accountability	Public Performance	5	5
	Reporting		

1.1 Commitment and Leadership

Strategic Direction - further work is needed to align policy to key priorities of the Council particularly given the significant economic difficulties facing the authority. This has already begun with the strategic direction workshop held in late November.

It is important that CMI concentrates on the major strategic issues facing the Council and not on more routine matters which can be dealt with in other ways.

1.2. Responsiveness and Consultation

Responsiveness - customer first initiative needs to be re-energised with appropriate indicators to measure performance against customer first service standards. Community Planning forums also need to avoid policy vacuum.

1.3. Sound Governance

Planning & Budgeting - the new arrangement under COSLAs Concordat with the Scottish Government and Single Outcome Agreement submission need to be considered carefully in light of the changed economic situation.

Performance Management - the successful introduction of the electronic performance management system across the Council is vital to ensure continuous improvement. More relevant benchmarking with public and private comparators furth of East Ayrshire needs to be undertaken.

1.4. Sound Management

Risk Management - Corporate risk register has been updated and continues to improve.

Fixed Assets - necessary improvements in the Council's asset management are being introduced. This is an area of improvement which will pay considerable dividends when difficult policy option decisions are being considered.

Procurement - central purchasing unit has been established to improve Council wide purchasing procedures

Financial Stewardship - despite the recent problems with an Icelandic bank the authority's financial stewardship remains excellent.

1.5 Review and Option Appraisal

Option Appraisal - excellent use of options appraisal process in respect of schools Public/Private Partnership decisions.

1.6 Sustainable Development

Sustainability - the revised Social Services budget plan is vital to help ensure sustainability in this crucial area of service delivery.

1.7 Equal Opportunities

Equalities - while the authority continues to perform well in this area the findings from Audit Scotland's recent national study of race

equality duties on council services will need to be taken on board where relevant.

1.8 Joint Working

Partnership Working - the Council continues to be one of the most proactive authorities in Scotland in partnership working particularly in respect of joint work with its Health Service partners. Continuing high level input from partners will be essential if the joint success is to be maintained.

1.9 Accountability

Public Performance Reporting - Council continues to refine its public performance reporting and the introduction of the new electronic performance management software will significantly assist this process.

2. Specific issues which arose in discussions with Corporate Directors individually and the CMT collectively

2.1. Shared Services Agenda

While CMT continues to pursue opportunities for the sharing of front line and back office services across council departments there is little or no progress on shared services between authorities despite the national shared services diagnostic review.

2.2. Efficiency Savings

It is clear that the CMT believe that there are little or no efficiency savings left and that the annual reduction imposed nationally is indeed a cut in services.

2.3. Annual Performance Reviews

These are supported but are felt to be extremely time consuming and as a result limited in value. It is vital that the new computerised management system is introduced timeously and leads to a significant reduction in the time required from senior management to submit so much detail in paper form. The new system should minimise many of the problems identified.

2.4. Single Outcome Agreement (SOA)

The Council's SOA is one of the best submissions by a local authority in Scotland. However, some targets need to be more specific, measureable, achievable and time scoped.

2.5. Benchmarking

As highlighted in the findings, where applied the results are encouraging but there needs to be greater use made of relevant comparators.

2.6. Scrutiny

Introduction of the new Executive/Cabinet structure incorporating a dedicated Governance and Scrutiny Committee is welcomed but the wider scrutiny role of the Committee needs developed. Further training of elected members on the specific extension to their role may be required.

2.7. Leadership

As highlighted earlier the Corporate Directors have total confidence in the Chief Executive, a view I concur with based on my experience of this strategic performance review.

It is also evident that while the overall changes to the political balance within the authority are relatively new, the approach by the Leadership of the new administration has been sympathetic from the beginning and has been particularly supportive during the difficulties encountered with the Icelandic Bank and the specific problem identified within one of the front line service departments.

2.8. Budgetary Constraints

Undernoted are the main areas of concern noted in discussion with the CMT.

- a. There are current year budgetary problems in both Education and Social Work and these are likely to become more serious in 2009/10 unless action is taken in the current year.
- b. Housing Services are far short of the Scottish Housing Quality Standards required by 2015 and a significant injection of finance at some stage will be the only way to tackle the shortfall. Ongoing problems with homelessness together with rent increases of RPI plus 1% due to be introduced will create increased political tension within the authority.
- c. Roads and Bridges Maintenance have been and are still critically underfunded. It is difficult to imagine even a partial solution without a major injection of capital resources.
- d. The global financial pressures and squeeze on borrowing is causing problems with the funding of the Council's Planning and Development Services and it is difficult to see a simple solution.
- e. The Council has a significant number of looked after children they are responsible for. The costs associated with this service are considerable and growing.
- f. The financial pressures identified above together with the recently announced extension of free school meals and additional cost of police and fire pensions call into question the Council's ability to maintain a moratorium on Council Tax without cuts in services.

2.9 Statutory Performance Indicators (SPIs)

The Council continues to make progress year on year. Many of the SPIs are process rather than outcome driven and therefore are less significant. However, one indicator in particular that is within the power of the Council to improve on is the Council Tax collection rates within the financial year (for 2007/08 this was only 92.4%). I would strongly urge greater effort in this area.

Conclusion

It is clear from this report that these are challenging times throughout local government in its delivery of services in the community. It is therefore encouraging to witness such a structured approach by East Ayrshire in critically assessing their management performance against best value criteria.

The model used by the Council if adopted by other authorities across Scotland would, I believe, significantly help protect service delivery and minimise the risks of standards falling.

CORPORATE STRATEGIC SELF-ASSESSMENT OF PERFORMANCE
SCORING MATRIX

PROGRESS AGAINST BEST VALUE CRITERIA

1. **Nothing happening** – we really haven't thought about this, or we may have considered it but taken no or little action as yet.
2. **Making a start** – we've been thinking and working on this. We've got a few things going, but it is early days. We have some measurements that show we're doing ok.
3. **Getting somewhere** – we've got quite a few things going and we are beginning to see some signs that we are doing things right. According to our measurements, we can show that we are improving.
4. **It's working for us** – now we can see things are really working. Our activities are working together. We are seeing the results from them steadily improving and we are meeting a lot of our targets. We are comparing ourselves with other organisations.
5. **It's our normal practice** – what we are doing is effective and consistent. We're learning from our experience and we can clearly see the benefits. Our key measurements show consistent improvement over several years. We are doing well compared with other organisations.
6. **We're excellent** – we're working at a sophisticated level, consistently doing the right things. We use a wide range of measurements, showing strong improvements over many years. We exceed our targets and can demonstrate that we are best in class in many areas.