

# **EAST AYRSHIRE COUNCIL**

**CABINET - 20 MAY 2009**

## **THE COUNCIL'S SECOND COUNCIL-WIDE STRATEGIC SELF-ASSESSMENT OF PERFORMANCE**

### **Report by Chief Executive**

#### **1. PURPOSE OF REPORT**

- 1.1** To advise Cabinet of the completion and results of the Council's Second Council-wide Strategic Self-Assessment of Performance and to request consideration of the proposed Improvement Agenda arising from this exercise.

#### **2. BACKGROUND**

- 2.1** In Autumn 2005, the Corporate Management Team completed Corporate and Service Level Strategic Self-Assessments of Performance as key elements of the Council's preparations for the 2006 Audit of Best Value and Community Planning. Areas where service improvements could be made, were highlighted and these taken forward into the Council's Best Value Audit Submission document, submitted to Audit Scotland in January 2006.
- 2.2** During the 2006 Best Value and Community Planning Audit, the Council's approach to self-assessment was identified as a strength by Audit Scotland, and an important conclusion from the Audit was that the Council had placed itself in a good position to identify areas of improvement and was well positioned to deliver on its Improvement Agenda, the latter becoming the Council's detailed Improvement Plan as agreed by the Policy and Resources Committee on 7 February 2007. The Council, thereafter, determined that its Strategic Self-Assessment of Performance approach should be repeated on a regular basis, as part of its drive for continuous improvement.
- 2.3** The final update report on the achievement of improvement plan actions arising from the 2005 Self-Assessment exercise was considered by the Governance and Scrutiny Committee on 18 January 2008. In considering this update, Committee agreed that the role of Service Level Strategic Self-Assessment had now been superseded by the introduction of council-wide service-level EFQM assessments, and that the small number of outstanding actions should be brought to a conclusion by appropriate Executive Directors. It was further agreed that a new Council-wide Strategic Self-Assessment should be carried out in the knowledge that any outstanding actions from the first Corporate Self-Assessment and the small number of outstanding actions from Audit Scotland's 2006 Best Value and Community Planning Audit Improvement Plan would be considered during this process.
- 2.4** This report provides details of the second Council-wide Strategic Self-Assessment process and provides an Improvement Agenda for Members' consideration.

### 3. COUNCIL-WIDE STRATEGIC SELF-ASSESSMENT OF PERFORMANCE - THE PROCESS

- 3.1 Cabinet is familiar with the Council's robust and well tested corporate and service level planning structures; governance arrangements; and arrangements for performance assessment; and these provide the framework for the second Council-wide Strategic Self-Assessment of Performance, as they did in 2005. Key elements of the framework are set out in Appendix 1.
- 3.2 The second Council-wide Strategic Self-Assessment of Performance was undertaken by the Corporate Management Team, supported by a 'critical friend.' The 'critical friend' facilitates the conduct of the review of performance, provides a degree of external challenge to the process by encouraging open and frank discussion of high level performance, and assists in the development of a challenging Improvement Agenda. This role was undertaken by Alastair MacNish, former Chairman of the Accounts Commission.
- 3.3 The second Self-Assessment process commenced with a review of the previous Corporate Self-Assessment to ensure that this reflected the progress updates reported to Committee in relation to the first Self-Assessment Improvement Agenda and the Improvement Plan arising from the Best Value and Community Planning Audit.
- 3.4 To ensure that evidence and actions arising from service specific initiatives were also reflected in the updated Council-wide Strategic Self-Assessment, the opportunity was provided to Executive Directors, through their respective Departmental Management Teams, to consider, review and add to the evidence and improvement actions included within the Self-Assessment document.
- 3.5 The second Strategic Self-Assessment of Performance, which sets out evidence of how we are responding to the requirements of the 10 Best Value Criteria is now complete. A score has been given to each of the 21 sub-criteria to allow an assessment of our progress against each of these requirements, and a broad range of areas for improvement has also been produced. These will be taken forward and progressed by relevant officers and have been used to determine the Improvement Agenda outlined in section 5 below.
- 3.6 The Self-Assessment was completed by the Corporate Management Team in December 2008, and in order to ensure currency in reporting this document to Cabinet, updated evidence and progress against areas for improvement have been added and are shown in ***bold italics*** within the document. (An electronic copy of the final Strategic Self-Assessment Document is available on the Councillors' Information Portal).
- 3.7 An independent report on the second Strategic Self-Assessment of Performance has also been prepared by our 'critical friend' and this is included as an accompanying agenda item for consideration by Cabinet at this meeting.

#### 4. COUNCIL-WIDE STRATEGIC SELF-ASSESSMENT OF PERFORMANCE – THE RESULTS

4.1 In order to ensure a level of consistency between corporate and service level self-assessments, the CMT scored each of the 21 Best Value sub-criteria based on the Council's EFQM Assessment model scoring matrix, details of which are provided in Appendix 2.

4.2 Where the CMT considered that the general direction of travel had moved marginally either up or down based on the scoring matrix, a plus or minus was used to give a more accurate indication of the current direction of travel.

4.3 Details of the scores allocated by the CMT to each of the 21 Best Value sub-criteria, together with an indication of the direction of change against each area is provided in the table below. The scores from the first Corporate Strategic Self-Assessment are also provided for comparative purposes.

<b>CORPORATE STRATEGIC SELF-ASSESSMENT AGAINST BEST VALUE CRITERIA - RESULTS</b>				
<b>CRITERIA</b>	<b>2005 SCORE</b>	<b>DIRECTION OF CHANGE</b>	<b>Nov 2008 SCORE</b>	<b>May 2009* SCORE</b>
<b>COMMITMENT AND LEADERSHIP</b>				
Strategic Direction	5	No Change*	4	5 (See Para 4.4)
Scrutiny	5	No Change	5	5
Conduct	5	No Change	5	5
Openness	5	No Change	5	5
<b>RESPONSIVENESS AND CONSULTATION</b>				
Responsiveness	5	Score Decreased	4	4
Consultation	5	No Change	5	5
<b>SOUND GOVERNANCE</b>				
Planning and Budgeting	5	No Change*	4	5 (See Para 4.4)
Performance Management System	5	Score Decreased	4+	4+
<b>SOUND MANAGEMENT</b>				
Risk Management	4	Score improved	4+	5 (See Para 4.4)
Employees	5	No Change	5	5
Fixed Assets	3	Score improved	4	4
Procurement	4	Score improved	5	5
Financial Stewardship	6	No Change	6	6
<b>REVIEW AND OPTION APPRAISAL</b>				
Best Value Review	5	No Change	5	5
Option Appraisal	4	No Change	4	4
<b>COMPETITIVENESS AND TRADING</b>				
Competitiveness	4	No Change	4	4
Trading	5	No Change	5	5
<b>SUSTAINABLE DEVELOPMENT</b>				
Sustainability	4	Score improved	4+	4+
<b>EQUAL OPPORTUNITIES</b>				
Equalities	5	No Change	5	5
<b>JOINT WORKING</b>				
Partnership Working	6	No Change	6	6
<b>ACCOUNTABILITY</b>				
Public Performance Reporting	5	No Change	5	6

**4.4** Between the completion of the Strategic Self Assessment in November 2008 and now, a number of actions have been taken that affect significantly the position as first assessed and it is appropriate now to insert revised scores based on the up to date position. The criteria involved are:

- **Strategic Direction.** The assessment identified a need for greater alignment in the Council's strategic direction with the Administration's key priorities. This was addressed at a Strategic Direction workshop facilitated by Professor Alan Alexander, resulting in the identification of three key priorities namely: Improving Educational Attainment, Town Centre Regeneration and New Council Housing. These 3 key priorities were used to guide the development of the Council's three year Revenue Budget and the ten year Capital Investment Strategy. This represents significant progress and consequently revises the original score of 4, to 5.
- **Planning and Budgeting.** The key area to be addressed was the effective implementation of the Concordat with the Scottish Government and how this impacts on the Council's management and control of its budget. Since November 2008, the Council has set a three-year budget that includes provision, over time, to deliver on all Concordat commitments. A comprehensive efficiency plan was also adopted, including detailed business reviews of 22 activities across the Council. The governance arrangements in place for these reviews ensure that Portfolio Holders are fully engaged in the review outcomes. The Council's settled arrangements around Concordat commitments allow the original score to shift from 4 to 5.
- **Risk Management.** At the time of the assessment, Internal Auditor identified 13 actions needed to ensure that processes that put the Council's Risk management arrangements at the forefront of best practice were being followed in all areas. Since then, a follow up report by the Chief Auditor has confirmed that all actions have been fully implemented and consequently it is considered that the original score of 4+ should be revised to 5.

**4.5** For ease of reference, the revised May 2009 scores are also shown in the table at 4.3 above.

**4.6** All of the Best Value sub-criteria have been assessed as 4 or above. This demonstrates indicates that the Council has good vision, direction and leadership and that it has the capacity to improve. It also demonstrates that our procedures, processes and initiatives are working well, and that as a general trend the Council is improving steadily. Joint working and financial stewardship were identified as being particular strengths, with our systems being 'best in class' and working at a sophisticated level.

**4.7** In accordance with the Council's commitment to improve continuously, a number of areas for further improvement were identified; these include issues around Performance Management, Customer Focus, Sustainability, Planning and Budgeting, Fixed Assets and Partnership Working. These will underpin the Council's Improvement Agenda and are considered further in section 5 below.

## **5. CORPORATE STRATEGIC SELF-ASSESSMENT OF PERFORMANCE - THE IMPROVEMENT AGENDA**

**5.1** The Improvement Agenda arising from this second Strategic Self-Assessment is intended to address areas where further improvements can be made. The Improvement areas are identified under 5 headings and a summary of the intended aims of these improvements is set out below.

- **Performance Management:** To take the Council's performance management arrangements to the next level, through the review of all performance indicators and the introduction of an IT-based performance management reporting system.
- **Responsiveness:** To review and further develop our customer interface and feedback arrangements, all with the intention of improving further our services.
- **Sustainability:** To further develop the mainstreaming of sustainable development in its widest sense across all Council services, and specifically in the fields of Regeneration, Social Services and Waste Management.
- **Effective Use of Resources:** To further develop arrangements designed to achieve the most effective deployment of finance, property and human resources in support of the Council's three key priority areas: Improving Educational Attainment, Town Centre Regeneration and New Council Housing.
- **Partnership Working:** To further develop partnership working including resource alignment to deliver more integrated services.

**5.2** Cabinet is invited to consider, provide feedback, and approve the Improvement Agenda suggested above. This will then allow the Corporate Management Team to develop detailed actions into a high level Improvement Plan for consideration at the Cabinet meeting on 17 June 2009.

## **6. FINANCIAL AND LEGAL IMPLICATIONS**

**6.1** There are no direct financial or legal implications arising from this report.

## **7. RISK IMPLICATIONS**

**7.1** Failure to complete regular Self-Assessments of Performance and identify improvement opportunities could result in sub-optimal performance and failure to meet legislative requirements.

## **8. POLICY AND COMMUNITY PLANNING IMPLICATIONS**

**8.1** The drive towards securing continuous improvement in delivering Council services is a fundamental requirement placed upon councils through the Local Government in Scotland Act, 2003. Progress in relation to the matters covered in this report demonstrates a continued commitment by the Council to deliver on this requirement.

## **9. CONCLUSION**

- 9.1** The second Strategic Self-Assessment of Performance has provided the opportunity to undertake a current comprehensive council-wide health check of progress made against the 10 Best Value Criteria.
- 9.2** Areas for improvement have been identified, and these will be actioned by identified senior officers and will be used to develop the proposed high level Improvement Plan.
- 9.3** All of the foregoing supports the Council in demonstrating its continuous improvement in service delivery across our communities, and facilitates the achievement of the Council's three key objectives of improving educational attainment, town centre regeneration and the provision of new council housing.

## **10. RECOMMENDATIONS**

- 10.1** It is recommended that Cabinet:
- (i) notes the completion of the second Council-wide Strategic Self-Assessment of Performance by the Corporate Management Team;
  - (ii) agrees that appropriate senior officers action the areas for improvement identified within the Strategic Self-Assessment Document ;
  - (iii) notes the results arising from the second Council-wide Strategic Self-Assessment of Performance as detailed in Section 4 of this report;
  - (iv) considers, provides feedback, and approves the proposed Improvement Agenda, outlined in Section 5 of this report;
  - (v) requires the Chief Executive to report to Cabinet on 17 June 2009 with a high level Improvement Action Plan.

**Fiona Lees**  
**Chief Executive**  
**14 May 2009**

### **Background Papers**

1. The Council's Second Strategic Self-Assessment of Performance document.

Any person wishing to inspect the above background papers or seeking further information on this report should contact Fiona Lees, Chief Executive or Jim Farrell, Performance, Development and Projects Manager

### **IMPLEMENTATION OFFICER**

Fiona Lees, Chief Executive

## SELF-ASSESSMENT FRAMEWORK

**East Ayrshire Community Plan:** The Community Plan, 2003 to 2010, sets out the Council and Partnership's vision for the area. Partners have recently completed a review of the Plan, reducing the thematic action plans from six to four.

**East Ayrshire Community Planning Partnership Single Outcome Agreement:** This sets out Partners' key aims and objectives for the period 2008 to 2011, based on the nationally agreed Concordat, national outcomes and indicators, and local priorities. The first annual performance report will be produced in September 2009.

**Local Code of Corporate Governance:** The Code is designed to ensure that the ethos of excellent Corporate Governance is embedded in all activities within the Council.

**Priorities and Risks Framework:** The Priorities and Risks Framework, a national planning tool used by auditors to plan risk-based audits of local authorities in Scotland, has produced an action plan for the Council for 2009/10, all reflected in the Second Council-wide Strategic Self Assessment of Performance.

**Best Value Service Reviews:** Arrangements for three-yearly Best Value Service Reviews of all services on a rolling basis have been in place since February 2004. They meet the requirements of the Local Government in Scotland Act, 2003 and the reviews assess all services for economy, efficiency and effectiveness, providing a mechanism that can aid improvement in those services.

**EFQM:** East Ayrshire Council became the first local authority in Scotland to commit to the rigours of critical self-assessment when it adopted the European Foundation for Quality Management (EFQM) model in 1996 and implemented for the first time in 1997. These annual service level assessments use the same evaluation framework as Strategic Self Assessment of Performance.

**Service Plans:** The Council's Service Planning arrangements for 2009/10 ensure consistency in planning across the three key areas of Finance, Workforce Planning, and Assets.

**Public Performance Report:** An annual report is delivered to all 56,000 households in East Ayrshire, and is underpinned by the Council's Public Performance Reporting Strategy seeking to ensure that all reporting is planned, systematic, honest and balanced.

**Performance Management Framework:** The Council's CorVu IT-based performance management system provides the framework for reporting against the new 25 National Statutory Performance Indicators, the 24 Local Statutory Performance Indicators, the Single Outcome Agreement indicators and a range of local service-based key performance indicators.

**Community Engagement:** Four new Local Community Planning Forums were established in April 2008. In addition, a Children and Young Person's Forum and Ethnic Minority Forum, supported by four equalities networks, were also put in place. The Forums afford local people, elected members and community planning partners an opportunity to work together to identify areas of concern and identify and agree actions to tackle these.

**Customer First:** The Council's introduction of a Customer First Service Commitment in September 2005 set out for both customers and employees a range of aspirational and achievable standards designed around a wide range of support systems. ring customer first, are

being rolled out or are under development. These include e-payments integration, e-procurement and tendering, e-planning and an on-line business directory.

**Risk Management:** The Council's Departmental Risk Management arrangements are recognised as best in class.

**EAGER:** EAGER is the East Ayrshire General Employee Review process, designed to develop and equip staff with the skills they need to ensure the achievement of personal and corporate objectives.

**Employee Attitude Survey:** Biennial surveys are carried out in order to gain employees' views on issues that directly affect them and to allow the Council to develop actions to address issues raised, all with a view to maintaining a highly effective and committed workforce.

**Efficiencies:** East Ayrshire Council is participating as one of five local authorities in Audit Scotland's Review of Delivering Efficiencies within the public sector. The review will assess how prepared public bodies are to deliver the 2% efficiency target set out in the Scottish Government's 2007 spending review, highlighting good practice and areas for improvement.

**Shared Services Diagnostics:** This project, led by the National Shared Services Board, involves a diagnostic review into the organisation of front and back office support services. Four key areas of activity are currently under review.

**Business Reviews:** In determining the three year budget for 2009/10 to 2011/12, Cabinet agreed that a series of 22 Business Reviews should be undertaken, tasked with achieving the efficiency savings required. They cover all areas of the Council's business and are led by relevant Portfolio Holders.

**Equalities and Diversity:** The Equalities Forum is supported by four Networks covering Race, Gender, Disability and Older People.

**Residents' Survey:** The jointly commissioned Community Planning Residents' Survey was first carried out in 2005, with a follow up survey carried out in 2008. The Survey provides a range of information from a representative sample of 2,000 residents. This information is utilised by the Council and Partner agencies to inform service delivery and future developments.

EFQM ASSESSMENT MODEL SCORING MATRIX	
1	<b>Nothing happening</b> – we really haven't thought about this, or we may have considered it but taken no or little action as yet.
2	<b>Making a start</b> – 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 are doing ok.
3	<b>Getting somewhere</b> – 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	<b>It is working for us</b> – 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	<b>It is our normal practice</b> – 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	<b>We are excellent</b> – 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.