

EAST AYRSHIRE COUNCIL

GOVERNANCE AND SCRUTINY COMMITTEE – 28 AUGUST 2009

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

Report by Chief Executive

1. PURPOSE OF REPORT

- 1.1** To advise of the completion and results of the Council's Second Council-wide Strategic Self-Assessment of Performance, and to refer the high level Improvement Action Plan agreed by Cabinet in response to the Improvement Agenda arising from this exercise for the Governance and Scrutiny Committee's interest.

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 placed to deliver on its Improvement Agenda. This became 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 In considering this update, Committee agreed that the role of Service Level Strategic Self-Assessment had now been superseded by the introduction of council-wide service-level EFQM assessments, and that the small number of outstanding actions should be brought to a conclusion by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 second 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.

3. SECOND COUNCIL-WIDE STRATEGIC SELF-ASSESSMENT OF PERFORMANCE

- 3.1** The second Council-wide Strategic Self-Assessment of Performance was undertaken by the Corporate Management Team, supported by a 'critical friend.' The 'critical friend' role was undertaken by Alastair MacNish, former Chairman of the Accounts Commission, who facilitated the conduct of the review of performance, provided a degree of external challenge to the process and assisted in the development of a challenging Improvement Agenda.
- 3.2** The outcome of the second Council-wide Strategic Self-Assessment process was considered by Cabinet on 20 May 2009, and, in endorsing the Improvement Agenda arising from the Self-Assessment exercise, Cabinet agreed that the Chief Executive should return with a high level Improvement Action Plan to address the areas for improvement identified within the Improvement Agenda. A copy of this report has been included at Appendix A for the Governance and Scrutiny Committee's interest.
- 3.3** At this meeting, Cabinet also considered a report and received a presentation from Alastair J H MacNish, OBE, who assisted in a 'Critical Friend' capacity during the second Strategic Self-Assessment of Performance. For the sake of completeness, a copy of his report has also been included at Appendix B.
- 3.4** Cabinet on 17 June 2009 subsequently considered and approved a high level Improvement Action Plan to address the Improvement Agenda arising from the second Council-wide Strategic Self-Assessment of Performance. Again, a copy of this report has been included at Appendix C for the Governance and Scrutiny Committee's interest.

4. PROGRESS UPDATES

- 4.1** In endorsing the high level Improvement Action Plan, Cabinet agreed that the Governance and Scrutiny Committee be tasked with receiving annual progress updates against the Improvement Action Plan. Accordingly, it is proposed that the first annual progress update be presented to this Committee in June 2010.

5. FINANCIAL AND LEGAL IMPLICATIONS

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

6. RISK IMPLICATIONS

- 6.1** Failure to complete regular Self-Assessments of Performance, and identify improvement opportunities, could result in poor performance and failure to meet legislative requirements.

7. POLICY AND COMMUNITY PLANNING IMPLICATIONS

7.1 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.

8. CONCLUSION

8.1 The second Strategic Self-Assessment of Performance has provided the opportunity to undertake a comprehensive Council-wide health check of progress made against the 10 Best Value Criteria.

8.2 Areas for improvement have been identified, and these have been developed by the Corporate Management Team into a high level Improvement Action Plan.

8.3 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 strategic objectives of improving educational attainment, town centre regeneration and the provision of new council housing.

9. RECOMMENDATIONS

9.1 It is recommended that the Governance and Scrutiny Committee:

- (i) note the outcome and results of the second Council-wide Strategic Self-Assessment of Performance;
- (ii) note the high level Improvement Action Plan to address the Improvement Agenda arising from the second Council-wide Strategic Self-Assessment of Performance;
- (ii) agree that appropriate senior officers implement the actions detailed within the Improvement Action Plan;
- (iii) agree to receive annual progress updates against the Improvement Action Plan; and
- (iv) otherwise notes the contents of this report.

Fiona Lees
Chief Executive
12 August 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

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.

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

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	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 are 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 is 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 is 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 are 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.

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Appendix B

Alastair J.H. MacNish, OBE

Fiona Lees, Chief Executive
East Ayrshire Council
Council Headquarters
London Road
KILMARNOCK
KA3 7BU

30th December 2008

East Ayrshire Council
Chief Executive's Office

- 6 JAN 2009

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



Alastair MacNish, OBE

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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.

EAST AYRSHIRE COUNCIL

CABINET - 17 JUNE 2009

**COUNCIL-WIDE STRATEGIC SELF-ASSESSMENT OF PERFORMANCE –
IMPROVEMENT ACTION PLAN**

Report by Chief Executive

1. PURPOSE OF REPORT

- 1.1** To seek consideration by Cabinet of the high level Improvement Action Plan in response to the Improvement Agenda arising from the second Council-wide Strategic Self-Assessment of Performance.

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 placed 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** The outcome of the second Council-wide Strategic Self-Assessment process was considered by Cabinet on 20 May 2009 and in agreeing the Improvement Agenda arising from the Self-Assessment exercise, Cabinet agreed that the Chief Executive should return with a high level Improvement Action Plan to address the areas for improvement identified within the Improvement Agenda. This report seeks approval of the high level Improvement Action Plans which have now been developed.

3. COUNCIL-WIDE STRATEGIC SELF-ASSESSMENT OF PERFORMANCE - THE IMPROVEMENT AGENDA AND IMPROVEMENT ACTION PLAN

3.1 Details of the Improvement Agenda arising from the second Strategic Self-Assessment agreed by Cabinet on 20 May 2009 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.

3.2 A High level Improvement Action Plan to address these 5 areas where it was identified that further improvements could be achieved have now been developed by the Corporate Management Team and these are appended to this report for consideration by Cabinet.

4. FINANCIAL AND LEGAL IMPLICATIONS

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

5. RISK IMPLICATIONS

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

6. POLICY AND COMMUNITY PLANNING IMPLICATIONS

6.1 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.

7. CONCLUSION

- 7.1** 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.
- 7.2** Areas for improvement have been identified, and these have been developed by the Corporate Management Team into a high level Improvement Action Plan.
- 7.3** 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 strategic objectives of improving educational attainment, town centre regeneration and the provision of new council housing.

8. RECOMMENDATIONS

- 8.1** It is recommended that Cabinet:
- (i) considers and agrees the high level Improvement Action Plan to address the Improvement Agenda arising from the second Council-wide Strategic Self-Assessment of Performance by the Corporate Management Team;
 - (ii) agrees that appropriate senior officers implement the actions detailed within the Improvement Action Plan;
 - (iii) agrees that this report be referred to the Governance and Scrutiny Committee for their interest and that the Governance and Scrutiny Committee be tasked with receiving annual progress updates against the Improvement Action Plan; and
 - (iv) otherwise notes the contents of this report.

Fiona Lees
Chief Executive
10 June 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

IMPROVEMENT ACTION PLAN**Key to Action Owners**

CE	Chief Executive
DCE/EDCS	Depute Chief Executive / Executive Director of Corporate Support
EDESS	Executive Director of Educational and Social Services
EDNS	Executive Director of Neighbourhood Services
HHR	Head of Human Resources
EHF&AM	Executive Head of Finance and Asset Management

EAST AYRSHIRE COUNCIL: STRATEGIC SELF-ASSESSMENT OF PERFORMANCE NOVEMBER 2008

IMPROVEMENT ACTION PLAN

No 1. Performance Management

Purpose of Action: 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.				
Action		Action Owner	Time / Target	Comments
1.1	<p>Continue to progress the implementation and council wide roll out of the new electronic performance management system (PMS) to consolidate existing reporting arrangements.</p> <p>This will include the development of corporate and service level scorecards, incorporating targets and reporting tolerances and the provision of robust performance management monitoring and reporting arrangements for Members, Chief Executive, Executive Directors, and Heads of Service.</p>	EHF&AM/ All Executive Directors	January 2010	<p>New Electronic Performance Management System now operational and populated with a wide range of performance indicators agreed following a comprehensive review of performance indicators across all Council services.</p> <p>The new system includes a SPI benchmarking database which facilitates comparative performance analysis and reporting across all 32 Scottish authorities for the last 3 years.</p> <p>Project Board assembled, project plan agreed, and progress on schedule.</p>
1.2	Further develop systems and procedures for managing the scrutiny of performance information produced by the new electronic Performance Management System.		March 2010	Enhancements to the Finance and Service Strategy report will be developed during the year as PMS data becomes available.
1.3	Working with Community Planning Partners, exploit the capabilities of new electronic performance management systems to report progress against the Single Outcome Agreement.		September 2009	<p>Initial meeting taken place with Ayrshire and Arran Health Board.</p> <p>System populated with indicators, awaiting progress updates.</p>
1.4	Further develop use of robust baseline data and benchmarking across all services.		March 2010	Integral element of EFQM Assessments and Best Value Service Reviews.

EAST AYRSHIRE COUNCIL: STRATEGIC SELF-ASSESSMENT OF PERFORMANCE NOVEMBER 2008

IMPROVEMENT ACTION PLAN

No 2. Responsiveness

Purpose of Action: To review and further develop our customer interface and feedback arrangements, all with the intention of improving further our services.

Action		Action Owner	Time / Target	Comments
2.1	<p>Review corporate approach to Customer First Strategy and develop appropriate indicators to measure performance against Customer First Service Standards.</p> <p>This will include finalisation of the review of existing Corporate Complaints Policy and put review of arrangements for recording and reporting of complaints.</p>	DCE/EDCS	December 2009	Review of Corporate Complaints Policy underway including raising awareness, development of toolkit and regular system testing.
2.2	<p>Review the capacity of Residents Panels.</p> <ul style="list-style-type: none"> ▪ Review composition of Residents Panel to ensure equalities balance is appropriate. ▪ Consider the potential need for other mechanisms and arrangements to engage with our customers and stakeholders. 	DCE/EDCS	March 2010	The East Ayrshire Community Planning Residents' Panel currently comprises a representative number of 969 East Ayrshire residents. The Panel membership needs to continue to be broadly representative in terms of gender, age, ethnicity and ward of East Ayrshire's adult population as a whole and able to provide a reliable cross-section of local views.

EAST AYRSHIRE COUNCIL: STRATEGIC SELF-ASSESSMENT OF PERFORMANCE NOVEMBER 2008

IMPROVEMENT ACTION PLAN

No 3. Sustainability

Purpose of Action: To improve the mainstreaming of sustainable development across all Council services.				
Action		Action owner	Time/Target	Comments
3.2	Ensure the Social Services budget is sustainable in the medium and longer term.	EDE&SS	September 2009	Sustainability Board established. Phase 1 complete reported to Cabinet 3 June 2009. Phase 2 report planned September 2009.
3.3	Ayrshire Strategic Waste Group – Develop on an all Ayrshire basis suitable solutions to meet long term waste objectives.	EDNS	5 Year Programme commencing December 2008	Agreement has been reached between the three Ayrshire Authorities on how to progress this matter. Funding has been identified from the Zero Waste Fund for the employment of a Project Manager and Consultants to advise on the various solutions. A Steering Group, of officers and Elected Members, has been established with regular meetings scheduled to progress this issue.

EAST AYRSHIRE COUNCIL: STRATEGIC SELF-ASSESSMENT OF PERFORMANCE NOVEMBER 2008

IMPROVEMENT ACTION PLAN

No 4. Effective Use of Resources

Purpose of Action: 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.

Action		Action Owner	Time / Target	Comments
4.1	Develop medium term financial strategy taking account of the reduced level of resources likely to be available over the next three years, 2009/10 to 2011/12.	EHF&AM	June 2009	Development underway including assessment of forward financial outlook and presentation to Extended Management Team.
4.2	Secure efficiency gains through the detailed business reviews identified during the 2008/09 budget process.	EHF&AM/ All Executive Directors	September 2009	Strategic Review Groups led by portfolio holders established. Progress update standing item on CMT agenda.
4.3	Further develop the Council's approach to Asset Management to ensure optimum use of the Council's property portfolio for service delivery..	EHF&AM	September 2009	Data gathering in progress to be complete by September 2009. Office Accommodation Strategy and Strategic Asset Management Plan to be complete by September 2009.

EAST AYRSHIRE COUNCIL: STRATEGIC SELF-ASSESSMENT OF PERFORMANCE NOVEMBER 2008

IMPROVEMENT ACTION PLAN

No 5. Partnership Working

Purpose of Action: To further develop partnership working at all levels within the Council.

Action		Action owner	Time/Target	Comments
5.1	Further develop the alignment of community planning partners' budget contributions for key action plan priorities	CE/ All Executive Directors	September 2009	The Strategic Alliance established and has introduced new operating arrangements for the Community Health Partnership.
5.2	Further develop data sharing partnership and information sharing protocols.	CE/ All Executive Directors	December 2009	Ayrshire group in place chaired by EDESS
5.3	Develop arrangements for the joint management of teams.	CE/ All Executive Directors	December 2009	Facilitated by new CHP arrangements
5.4	Explore further opportunities to develop partnership working including, shared services, aligned budgets and joint management.	DCE/EDCS	March 2010	Build on the successful co-location of the all Ayrshire Emergency Planning Service at Prestwick Airport. Arrangements in place to take forward Integrated Resource Framework with NHS and other Ayrshire councils.

June 2009