

EAST AYRSHIRE COUNCIL

CORPORATE GOVERNANCE COMMITTEE – 16 NOVEMBER 2004

THE PERFORMANCE REVIEW GROUP

Report by Depute Chief Executive/Executive Director of Corporate Support

1. PURPOSE OF REPORT

- 1.1 To provide the context to the establishment of a Performance Review Group and to seek approval to proposals for its composition and membership.

2. BACKGROUND

- 2.1 The Corporate Governance Committee has responsibility, among other things, for performance review of Best Value arrangements and scrutiny, operating through a series of Review Groups reporting to the Committee.
- 2.2 A wide reaching review of the Council's Best Value arrangements was conducted in response to the new statutory requirements introduced by the Local Government in Scotland Act, 2003 and the supporting statutory guidance and regulations issued subsequently by the Scottish Executive.
- 2.3 The conclusions from the review of the Council's Best Value arrangements were reported to the Policy and Resources Committee on 19 February 2004. The Committee agreed a number of changes to the Council's approach, including the establishment of a Performance Review Group, tasked with facilitating Elected Member challenge in relation to the validation of the Council's approach to Best Value Review. The Council's Scheme of Delegation was thereafter amended accordingly.

3. THE PERFORMANCE REVIEW GROUP

- 3.1 In considering the amended Scheme of Delegation, the 4 March 2004 meeting of Council agreed the following remit for the Performance Review Group:-

To validate the Council's Best Value Review arrangements, on a systematic basis to ensure consistency, efficiency, continuing relevance and delivery of improvements.

- 3.2 This remit directly responds to and reflects the requirements of the Scottish Executive's Statutory Guidance on Best Value. In particular, the establishment of the Performance Review Group and the framing of its remit ensures that the Council can demonstrate clearly that a wider perspective is being taken in the validation of its approach to Best Value Review.
- 3.3 Equally important, the mechanism adopted by the Council ensures direct Elected Member involvement and challenge in the process and outcomes resulting from Best Value Review activity across Council departments.

- 3.4 Before going on to set out proposals in respect of the Performance Review Group, it is important to recognise that this Group is only one, albeit an important, element of the Council's wider Performance Management Framework. The key elements of this framework, including the Performance Review Group, are highlighted in the appendix to this report. This demonstrates that the Council takes very seriously its responsibilities in managing and monitoring its performance. Not only does this cover a wide range of business areas, but it also relies on a variety of formal corporate monitoring and assessment mechanisms, including:-
- the Budget Scrutiny Group,
 - the Corporate Governance Committee and the Performance Review Group;
 - performance review through external scrutiny, including Statutory Performance Indicators, Inspectorates and Best Value Audit;
 - departmental performance review through Service and Local Committees;
 - targeted performance review through Best Value Service Review, service self-assessment through the European Foundation for Quality Management Improvement Model and other improvement tools;
 - customer feedback on good performance or service failure; and
 - individual performance review and appraisal.
- 3.5 In setting out the broad context within which the Performance Review Group sits, it is essential that the scope and reach of the business transacted through the Group complements and adds value to existing arrangements. In particular, it is important that the role of Service Committees in agreeing priorities for improvement for their services and in undertaking and implementing the conclusions from Best Value Review is recognised and, indeed, reinforced.
- 3.6 The over-riding purpose, therefore, for the Performance Review Group should be to take a wider, corporate perspective across the entire Council in challenging, and thereby providing assurances, that Best Value Review is:-
- applied consistently;
 - achieving efficiency;
 - relevant to circumstances; and
 - delivering improvements.
- 3.7 At the same time, however, if the Performance Review Group is to be able to challenge processes and outcomes in a meaningful and rigorous way, it will also need to ensure that it has an appropriate focus that will inevitably require sampling of service specific Best Value Reviews. Such reviews will have been considered fully by Service Committees and either be implemented or at an advanced stage of implementation. The Performance Review Group would then be able to apply a further level of "external" and "independent" scrutiny and thereby report to the Corporate Governance Committee on an annual basis, or more frequently by exception, on the adequacy of the Council's arrangements for Best Value Review.
- 3.8 Recognising the importance of the role of the Performance Review Group and having regard to arrangements in place in respect of other standing Performance, Monitoring and Scrutiny Bodies within the Council, it is proposed that Departmental input and accountability to the meetings of the Group be at Chief Officer level.

- 3.9 Committee is also being asked to agree the composition and membership, at Elected Member level, of the Performance Review Group. Once agreed, it would be the intention to provide the Group with the scope to give further consideration to how it might wish to conduct its business and fulfil its remit, all within the broad parameters set out in this report.

The proposed composition and membership of the Performance Review Group is as follows:-

- The Group should consist of 7 Councillors and the Chief Executive and Executive Head of Finance.
- Composition of the Group should reflect the political balance of the Council.
- The Group should be chaired by the Chair of the Corporate Governance Committee.
- The minutes of the Group should be reported to the Corporate Governance Committee.

4.0 LEGAL IMPLICATIONS

- 4.1 The proposals contained in this report are part of the wider review of the Council's arrangements for Best Value intended to ensure that the Council responds appropriately to the statutory requirements set out in the Local Government in Scotland Act, 2003 and the relevant Statutory Guidance.

5.0 POLICY IMPLICATIONS

- 5.1 The Policy and Resources Committee at its meeting on 19 February 2004 agreed to the establishment of the Performance Review Group. This report simply provides further context and seeks agreement to the composition and membership of the Group.
- 5.2 The proposals contained in this report relate to the wider management of the Council's business and respond to statutory requirements. As such, these proposals do not relate directly to any one of the 6 themes of the Community Plan.

6.0 FINANCIAL IMPLICATIONS

- 6.1 None arising directly from this report.

7.0 RECOMMENDATIONS

- 7.1 The Corporate Governance Committee is asked to:-
- (i) note the context to the establishment of the Performance Review Group;
 - (ii) consider and agree the Elected Member composition and membership of the Group;
 - (iii) note that the detailed operating arrangements of the Group will be considered and agreed at its first meeting; and

- (iv) agree to receive an annual report on the working of the Group, or more frequently by exception.

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19 October 2004

BACKGROUND PAPERS

Nil.

Anyone wishing any further information should contact Elizabeth Morton, tel (01563) 576001, or John Clayton, tel (01563) 576165.

APPENDIX 1 – PERFORMANCE MONITORING FRAMEWORK

