

EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE - 27 AUGUST 2002

PERFORMANCE MANAGEMENT AND PLANNING AUDIT 2001/2002 ECONOMIC DEVELOPMENT

Report by Director of Development Services

1.0 PURPOSE OF REPORT

- 1.1 To advise the committee of the outcome of the 2001/2002 Performance Management and Planning (PMP) Audit of the Council's Economic Development Division, which was carried out by PricewaterhouseCoopers on behalf of the Accounts Commission.

2.0 BACKGROUND

- 2.1 A report setting out the requirements for the 2001/2002 PMP Audit was considered by the Policy and Resources Committee at its meeting on the 4 October 2001.
- 2.2 The two services selected for audit in 2001/2002 were Economic Development (Development Services), and Residential Services for the Elderly, (Educational and Social Services).
- 2.3 Audit Scotland have forwarded separate reports to both of the directors whose services were the subject of the service level audits for 2001/2002. This report sets out the detailed conclusions from the PMP audit of the Economic Development Division.

3.0 CONCLUSIONS FROM THE PMP AUDIT OF ECONOMIC DEVELOPMENT

- 3.1 The aims of the PMP Audit were to:
- provide independent, external assurance that the council is making progress on implementing a performance management and planning framework
 - help identify good practice and areas of concern
 - ensure that the council and its services are planning for improvement
- 3.2 The audit involved the completion by the council of a self-assessment matrix against the following 10 performance criteria:
- Clear leadership for a best value approach is provided by elected members, the service head and the senior management team;
 - We understand the needs, expectations and priorities of all our stakeholders;
 - We carry out effective Best Value reviews;

- We have detailed and realistic plans for achieving our goals;
- We make best use of our people;
- We make best use of our assets;
- We have sound financial control and reporting;
- We actively support continuous improvement;
- We monitor and control our overall performance;
- We have an effective approach to public performance reporting.

3.3 In broad terms, the auditors concluded that ***"the service is making progress on a number of fronts and shows a clear commitment to taking further action as required."***

3.4 As part of its submission, Economic Development had to identify improvement actions, where appropriate, against each of the audit criteria. The task for the auditor was then to verify the self-assessment, review the service's proposed improvement actions and thereafter agree any revisions in finalising the audit report.

3.5 The audit report highlights a number of areas where the Auditor considers the service to have well developed approaches and also highlights some areas which are contained in the service's self assessment as being in need of improvement.

3.6 Areas where the service demonstrates well developed approaches and sound performance include:

- The basic elements of the division's mission and vision are to be found at the strategic level of the *East Ayrshire Council Plan*. The division was involved in shaping the mission and vision of the plan through the Director and Head of Service, and the strategy for delivering against the economic objectives was carried out in consultation with key operational staff.
- The Council has a comprehensive reporting structure, which promotes accountability and responsiveness. The structure incorporates a variety of Groups and Partnerships, both within the Council and in the wider business environment.
- Committee procedures are appropriate, well evidenced, and demonstrate that the Best Value route is followed, which shows that the relevant elected Members are actively involved in formulating, promoting and supporting the service's approach to Best Value.
- In general, information generated for Committee appears accurate, includes trends and comparators where relevant, and is monitored regularly. In addition, Budget Scrutiny reports are produced on a regular basis and discussed by Finance Department Senior Management.
- The divisional Service Plan and BVAR will form the basis of a document integrating service information to current and potential stakeholders on the services provided by the unit, and of a Public Performance Report, demonstrating value for money across the division. These public documents will include lessons from consultation, and examples of partnership working.

3.7 Areas where further work was identified as necessary include:

- The service requires to systematically review its approach to consultation to confirm the achievement of value for money. Since standard market research tools have not been used, costing exercises on consultation need to be carried out.
- Changes in plans are generally customer led. However, a recognised area for improvement is the introduction of a systematic approach for considering stakeholders' views in formulating plans.
- A systematic approach is needed to evaluate training to confirm whether it is achieving the desired impact.
- In terms of actively supporting continuous improvement, there is a need to develop a systematic approach for formulating and using appropriate performance information, enabling staff to share knowledge about effective practice and using feedback from customers to improve services.
- There is a lack of comparative information, to show the public how the service compares to other similar service providers.

4.0 IMPROVEMENT ACTIONS

4.1 Following meetings with the auditors and agreement on the actions required to address 3.7 above, an Improvement Agenda was produced. This is currently being implemented, and this implementation will be the subject of a further audit (known as the PMP 3 Follow-up) in 2003. The agreed actions are contained in the table at Appendix 1.

4.2 Considerable progress has been made against all issues.

5.0 FINANCIAL/LEGAL/POLICY IMPLICATIONS

5.1 Nil

6.0 RECOMMENDATIONS

6.1 The Committee is asked to note the positive outcome of the 2001/2002 PMP Audit of the unit and the implementation of an improvement agenda to address issues identified through the audit.

Stephen Chorley
Director of Development Services

JF
7 August 2002

LIST OF BACKGROUND PAPERS

- 1. Full Action Plan**
- 2. Accounts Commission Performance Management and Planning Audit Guide 2001/2002.**
- 3. East Ayrshire Council PMP (3) Audit Submission 2000/2001, Economic Development.**
- 4. East Ayrshire Council PMP (3) Audit Report 2000/2001, Economic Development.**

For further information on the contents of this report, contact Robert Paton, Head of Economic Development. Telephone 576298.

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AGENDA