

EAST AYRSHIRE COUNCIL

THE DEVELOPMENT SERVICES COMMITTEE

18 DECEMBER 2001

PERFORMANCE MANAGEMENT AND PLANNING AUDIT 2000/2001

ROADS CONTRACTS AND OPERATIONS

Report by the Director of Development Services

1.0 PURPOSE OF REPORT

- 1.1 To advise the committee of the outcome of the 2000/2001 Performance Management and Planning (PMP) Audit of the Council's Roads Contracts and Operations Section which was carried out by Audit Scotland on behalf of the Accounts Commission.

2.0 BACKGROUND

- 2.1 A report setting out the requirements for the 2000/2001 PMP Audit was considered by the Best Value Sub-Committee of the Policy and Resources Committee at its meeting on the 7 June 2000
- 2.2 The three services selected for audit in 2000/2001 were Information Technology (Corporate Resources Department), Community Care Home Care (Educational and Social Services) and Roads Contracts and Operations (Development Services).
- 2.3 Audit Scotland have forwarded separate reports to each of the directors whose services were the subject of the service level audits for 2000/2001. This report sets out the detailed conclusions from the PMP audit of the Roads Contracts and Operations unit Sub-Committee's consideration.

3.0 CONCLUSIONS FROM THE PMP AUDIT OF ROADS CONTRACTS AND OPERATIONS

- 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 against the following 10 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 As part of its submission, Roads Contracts and Operations also 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, where appropriate, in finalising the audit report.

3.4 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.

3.5 On each of the 10 specific audit criteria, the auditors general assessment of the service's progress is as follows:

Criteria	Assessment
1. Clear leadership for a Best Value approach is provided by elected members, the service head and the senior management team.	B
2. We understand the needs, expectations and priorities of all our stakeholders.	C
3. We carry out effective Best Value reviews.	B
4. We have detailed and realistic plans for achieving our goals.	C
5. We make best use of our people.	B
6. We make best use of our assets.	C
7. We have sound financial control and reporting.	B
8. We actively support continuous improvement.	B
9. We monitor and control our overall performance.	C
10. We have an effective approach to public performance reporting.	C

Key:

- A: In general, sound approaches are largely in place in line with Best Value expectations.
 B: In general, many elements of a sound approach in place, but with scope for some improvements.
 C: In general, a significant level of improvement is required and this is adequately recognised in the improvement actions.
 D: In general, a significant level of improvement is required, and this is not adequately recognised in the improvement actions.

3.6 The auditors noted several areas where the service has well developed approaches and performance. Examples include:

- The cascading of the Council's corporate strategy down to a structured programme of European Foundation for Quality Management (EFQM) reviews and best value service reviews is well developed. Elected members approve both the corporate strategy and the service review programme.
- The service review planning process incorporates the expected key best value features covering consultation, programmed reviews, continuous improvement, performance and a review of the previous year's activity.
- A Roads Contracts Business Plan is in place for the DLO contract. This is prepared using corporate guidelines to ensure consistency between services.
- To ensure that the best use is made of people, the business planning process includes a 'workbook' to calculate the number of staff required to deliver the DLO contract.
- The Service recognises the importance of meeting stakeholder needs for service delivery and seeks to support this by carrying out some customer surveys prior to compiling strategy documents.
- The service has several mechanisms for reviewing and improving processes including ISO 9001 quality accreditation reviews, monthly contract progress meetings and regular reviews of the Winter Maintenance and Structural Maintenance Programmes.

3.7 Areas where further work has been identified as necessary include:

- The detailed service plan covers the Roads DLO contract activities only. A planning process to cover all activities is to be developed.
- There is no formal ongoing process of communicating with staff on formulating and developing the service's approach to best value. Management are aware that not all staff understand the approach and what it means to them. Staff communication and feedback improvements are planned
- Whilst evidence exists to demonstrate an ad hoc approach to designing services around customer needs, there is no systematic approach to consultation.
- There is no internal departmental quality assurance process that ensures that best value service reviews are rigorous and challenging.
- There is no comprehensive assessment of the match between the total asset base used by Roads and the service objectives.
- The Service does not use indicators covering all key aspects of performance and all major areas of activity.
- Formal Public Performance Reporting (PPRg) is acknowledged as the least developed area in the overall departmental approach to best value. That

said, both the Head of Service and the Director routinely attend a range of consultation mechanisms such as public meetings and public exhibitions.

- the service has no systematic approach for identifying and using the best means of communicating its PPRg information to its stakeholders

4.0 FINANCIAL IMPLICATIONS

4.1 None.

5.0 LEGAL IMPLICATIONS

5.1 None.

6.0 RECOMMENDATIONS

6.1 The Sub-Committee is asked to:

- (i) Note the positive outcome of the 2000/2001 PMP Audit of the unit and the implementation of an improvement action plan to address issues identified through the audit (see Appendix 1);
- (ii) Otherwise note the contents of this report.

LIST OF BACKGROUND PAPERS

Audit Scotland-Service Level Audit PMP (2) Audit (2000/2001) for Roads Contracts and Operations.

Implementation Officer: Alistair Wyper

Stephen Chorley
Director of Development Services
30 November 2001

PMP AUDIT ACTION PLAN

1. Description of the planned improvement.	2. Why has this improvement been chosen and which PMP criteria does it relate to?	3. What is this improvement intended to achieve? This should be both specific and measurable.	4. What are the key project milestones for this improvement? These should detail both relevant actions and timescales.	5. How will you know whether the improvement has achieved what it was meant to?	6. In which of your plans (e.g. service plan) is this improvement detailed?
1. Prepare a more formalised Service Plan for Operations to complement existing Roads Contracts Plan.	To improve the service approach to best value. PMP Criteria 1,2,4,9 &10.	Detailed and co-ordinated approach to service delivery.	Introduction of the Service Plan by end 2001.	Undertake service review in 2002.	New Operations Plan
2. Improve performance indicators and objective monitoring to set targets.	To identify improved performance and to set realistic targets. PMP Criteria 1,2,4,9 & 10	Accountability and effective public performance reporting.	Establishing additional PI's, monitoring and reporting. Establish / monitor in 2001, report in 2002.	Performance Indicator report. Improved performance in subsequent years relating to issues identified in previous years.	Roads Contract Business Plan and proposed Service Plan for Operations.
3. Improve communications to staff.	Identified from EFQM review. PMP Criteria 1,4, & 5.	To improve information transfer. Feedback from staff meetings.	To maintain regular staff contact. Regular communications forum instigated.	Feedback from staff through new staff survey.	See 1 above.
4. Improve consultation process with Stakeholders.	Council Policy and to better understand Stakeholder needs. PMP Criteria 2.	Improved understanding of requirements and expectations of Stakeholders.	Extend consultation exercise by end 2001.	Analysis of consultation exercise.	Proposed Service Plan for Operations.
5. Implement formal staff training programme.	To formalise training procedures. PMP Criteria 3,5 & 8.	Improve staff development and knowledge of best value.	Implementation of EAGER by April 2001.	Corporate Review	QA System.
6. Identification of the programme of Best Value Reviews.	Insufficient detail in existing programme. PMP Criteria 3.	Formalisation of long term programme.	Implementation by June 2001.	Corporate Review	Departmental Service Plan.

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7. Develop a long term planning approach.	To establish priorities. PMP Criteria 4.	As 7.2.	Awaiting Government guidance.	Not Developed	Roads Contract Business Plan and proposed Service Plan for Operations.
8. Continue to improve financial monitoring.	Continuous improvement of core activity. PMP Criteria 6 & 7.	Improved control of finances.	Introduction of 'SAP' system by April 2001.	Improved financial reporting. Fewer errors. Periodic Quality Audits.	Roads Contracts Business Plan and see 1 above
9. Develop process to ensure consultation exercises are costed.	To demonstrate value for money. PMP Criteria 2.4.	Will highlight cost effectiveness and suggest changes required should costs be excessively high.	Develop process - 2001. Implement - 2002 following initial consultation exercise.	Repeat exercise year-on-year to establish trend for value for money.	Roads Contract Business Plan, proposed Service Plan for Operations, Departmental Plan.
10. Develop process to ensure reviews are rigorous and challenging.	To verify rigour and challenge. PMP Criteria 3.1.	To give confidence external to the unit. A report will be prepared on completion.	Develop and pilot process - 2001. Agree and Implement - 2002.	Feedback from Council Committee.	Departmental Plan.
11. Develop a Public Performance Reporting strategy to be included in the Departmental Planning process.	To consult with, and report to, service stakeholders, and to incorporate their views in our Departmental Plan.	To make customers and other stakeholders more aware of our plans.	Strategy developed and implemented during 2001.	Feedback from customers and other stakeholders on an annual basis.	Departmental Plan

AGENDA