

EAST AYRSHIRE COUNCIL

POLICY & RESOURCES COMMITTEE – 4 October 2001

PERFORMANCE MANAGEMENT AND PLANNING AUDIT

Report by the Chief Executive

1.0 PURPOSE OF REPORT

- 1.1 To advise the committee of the outcome of the 2000/2001 Performance Management and Planning (PMP) Audit carried out by Audit Scotland on behalf of the Accounts Commission and to advise the committee of the requirements for the PMP Audit to be conducted in 2001/2002.

2.0 BACKGROUND

- 2.1 A report setting out the conclusions from the Performance Management and Planning Audit carried out in 1999/2000 which also set 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. The Committee will recall that the three services audited in 1999/2000 were Grounds Maintenance, Criminal Justice Services and Property Repairs.
- 2.2 The PMP Audit for 2000/2001 comprised of a number of elements. At a service level the three services audited were Information Technology (Corporate Resources Department), Community Care Home Care (Educational and Social Services Department) and Roads Contracts and Operations (Development Services Department). The audit also involved a follow-up audit of the improvement actions identified by the three services which were audited in 1999/2000 as identified in paragraph 2.1 above. Additionally, the 2000/2001 PMP Audit involved a corporate level audit of the council's implementation of Best Value.
- 2.3 In reporting the conclusions of these three elements of the PMP Audit, Audit Scotland have forwarded separate reports to each of the directors whose services were the subject of the follow-up audit for 1999/2000 and the service level audits for 2000/2001. The relevant directors will report the detailed conclusions from these audits to their service committees, as appropriate, for consideration.
- 2.4 In addition to these service level audit reports, Audit Scotland have submitted to the Chief Executive a report which contains an overall assessment of the council's corporate approach to Best Value. The Committee is being asked to consider the issues arising from this element of the 2000/01 PMP process.

3.0 PMP CORPORATE REPORT

- 3.1 The aims of the PMP Audit were to:
- provide a structured approach to self assessment to help the council identify where improvements should be made

- provide independent assurance that the council is making progress on implementing a performance management and planning framework
 - help identify good practice in areas of concern
 - ensure that the council and its services are planning for improvement
- 3.2 The corporate level audit involved the completion by the council of a self assessment against the following four criteria;
- clear leadership for a best value approach is provided by elected members, the Chief Executive and the senior management team
 - an effective corporate framework for planning and budgeting is in place
 - best value reviews are managed effectively; and
 - an effective approach to public performance reporting is in place
- 3.3 As part of its submission the council 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 council'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 council to have well developed corporate approaches and also highlights specific areas which have been incorporated into the council's Improvement Action Plan. The overall conclusions from the audit are generally positive with the auditor noting that

“In broad terms, at a corporate level, the council can demonstrate clear commitment and progress in implementing the PMP Framework, is making progress on a number of fronts and is committed to taking further action as required.”

- 3.5 On each of the 4 specific audit criteria, the auditors general assessment of the council's progress is as follows:

1.	Clear leadership for a Best Value approach is provided by elected members, the Chief Executive and the senior management team.	B
2.	We have an effective corporate framework for planning and budgeting.	B
3.	We manage our Best Value reviews effectively.	B
4.	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 A summary of the key points from the Improvement Action Plan has been included as an appendix to this report. Whilst discussions with the Auditor on the Action Plan were only finalised in May 2001, it will be noted that challenging timescales were included as Project Milestones, allowing for early development in key areas. Progress to date on each of the action plan points has been noted in the final column of the table. Audit Scotland will carry out a follow-up audit of progress in the implementation of the Improvement Action Plan as part of the 2001/02 Performance Management and Planning Audit.

4 THE 2001/02 PERFORMANCE MANAGEMENT AND PLANNING AUDIT

4.1 The Chief Executive has received confirmation from Audit Scotland of the requirements for the PMP Audit in the current financial year. In total the PMP Audit in 2001/2002 will comprise four parts:

- follow-up of agreed improvement actions outstanding from the 1999/2000 PMP Service Level Audit and from the 2000/2001 Service Level Audit.
- follow-up Audit of agreed improvement actions arising from the 2000/2001 PMP Corporate Audit.
- 2001/2002 PMP Audit of two service areas nominated by the council.
- A national performance audit of Trading Standards services (including PMP)

4.2 Following discussion with the Council's External Auditor, Audit Scotland has accepted that the two services selected for PMP Audit in the current financial year be Economic Development (including Property) and Residential Services for the Elderly. Staff from these services have attended the training seminars which were arranged by Audit Scotland and will be engaged in the audit process over the next few months. A report on the outcome of these audits will be presented to the relevant service committees in due course.

5.0 FINANCIAL IMPLICATIONS

5.1 None.

6.0 LEGAL IMPLICATIONS

6.1 None.

7.0 RECOMMENDATIONS

7.1 The committee is asked to:

- (i) Note the generally positive outcome of the 2000/2001 PMP Corporate Level Audit and the implementation of an improvement action plan to address issues identified through the audit;

- (ii) note that relevant directors will report the detailed conclusions from the 2000/2001 service level audits to their respective service committees for consideration;
- (iii) note the requirements for the PMP Audit for 2001/2002; and
- (iv) otherwise note the contents of this report.

Fiona Lees

Depute Chief Executive/Director of Corporate Resources

25 September 2001

LIST OF BACKGROUND PAPERS

- (I)** Accounts Commission Performance Management and Planning Audit Guide 2001/2002
- (II)** Audit Scotland-East Ayrshire Council PMP (2) Audit 2000/2001 Corporate Report to the Chief Executive

For further information on this report please contact Fiona Lees, Depute Chief Executive/Director of Corporate Resources or Douglas Campbell, Head of Corporate Development and Communication on telephone (01563) 576019 or (01563) 576165 respectively

**East Ayrshire Council
Department Corporate Resources**

**CORPORATE LEVEL PERFORMANCE MANAGEMENT AND PLANNING AUDIT (2000/01)
IMPROVEMENT ACTION PLAN**

Introduction

Under the Performance Management and Planning Audit conducted by Audit Scotland in 2000/01, the External Auditor agreed with the council a range of corporate action plan points which it should progress. The Auditor will undertake a follow-up audit of these action plan points as part of the 2001/02 Performance Management and Planning Audit.

This is a working document which provides the basis for monitoring the council's progress against each of the action plan points contained within the Corporate Level PMP Audit Improvement Action Plan. The Improvement Action Plan has been re-structured under 3 headings:

- **Section (a) - Best Value**
- **Section (b) - Public Performance Reporting**
- **Section (c) - Corporate Planning**

Each of the action points from the Improvement Action Plan have been grouped under the appropriate heading and progress noted against them.

Section (a) - Best Value

1. The Council will develop its Best Value Manual and ensure that this is disseminated throughout the council

<p>Purpose of Proposed Action: This improvement has been chosen to ensure that the council's approach to Best Value is communicated more systematically throughout the council.</p>				
What will this Improvement achieve	Action Owner	Key Project Milestones	How will we know whether the action has achieved what it was meant to?	Progress
<p>This improvement will achieve greater access to all key information relating to Best Value and the council's approach. All departments will be provided with a copy of the manual for each main service section.</p>	<p>Head of Corporate Development and Communication</p>	<ul style="list-style-type: none"> • Draft manual prepared for consultation with departments - end April 2001. • Best Value Manual circulated within each department – May 2001. 	<p>The impact on the ground within departments will be monitored through the Corporate Strategy Group.</p>	<p>Priority has been given to the preparation of guidance on Best Value Service Review which will be a key element within the Best Value Manual.</p> <p>Best Value Service Review Draft Guidelines considered by the Corporate Strategy Group (CSG) on 29 May 2001. Thereafter consultation on Draft Guidelines within departments co-ordinated by CSG members.</p> <p>Final Draft Guidelines circulated to directors and Trade Union Convenors for comment prior to publication in October 2001.</p>

2. The council will establish and implement a new approach to service review.

Purpose of Proposed Action: The council has agreed to review its approach to service review.				
What will this Improvement achieve	Action Owner	Key Project Milestones	How will we know whether the action has achieved what it was meant to?	Progress
This improvement will simplify existing arrangements, thereby ensuring that the council undertakes reviews of a suitable scope and also is better able to manage and fulfil the review programme, once agreed.	Head of Corporate Development and Communication	The revised arrangement for service review will be agreed by 30 June 2001 for full implementation thereafter.	The impact of the revised arrangements for Service Review will be monitored through the Council's Corporate Strategy Group. It will be evident that improvement has been made when the council's Best Value Service Reviews are consistent, effective and frequent.	<p>A review of the council's approach to Best Value Service Review was undertaken in January 2001. A consultation exercise which involved the then Best Value Officer Implementation Group and trade union representatives was carried out thereafter.</p> <p>A report on the review of the use of the European Foundation for Quality Management (EFQM) and the arrangements for Service Review was approved by the Best Value Sub-Committee of the Policy and Resources Committee on 7 June 2000. Among other things the Committee agreed that further work be undertaken to develop the arrangements for service review and report on this to a future meeting of the Sub-Committee.</p> <p>Best Value Service Review Guidelines, incorporating Revised arrangements for Service Review currently subject of detailed consultation (see point 1).</p>

3. The council will consider how best to extend the lessons learned from reviews more widely across the council.

Purpose of Proposed Action: It is recognised that there is currently no systematic approach to ensuring that all of the lessons that could be learned from service reviews are being learned and thereafter shared across the council.

What will this Improvement achieve	Action Owner	Key Project Milestones	How will we know whether the action has achieved what it was meant to?	Progress
<p>Many issues arising from the EFQM/service review process are common to a number of services. These common themes will be identified and good practice highlighted and incorporated into a proposed Corporate Action Plan</p>	<p>Head of Corporate Development and Communication</p>	<p>A corporate EFQM group has been established under the auspices of the council's Corporate Strategy Group. This group will prepare a programme for implementing this improvement action.</p>	<p>The impact of this improvement will be monitored through the Corporate Strategy Group.</p>	<p>A sample of EFQM assessments already undertaken within the council will be reviewed and this will then be assessed by the Corporate EFQM Group.</p>

Section (b) - Public Performance Reporting

1. The council will, within its overall public performance reporting framework, ensure that reporting of information to the public is improved.

<p>Purpose of Proposed Action: This improvement has been chosen to ensure that increased performance information is provided to local people in a range of formats that are accessible to them.</p>				
What will this Improvement achieve	Action Owner	Key Project Milestones	How will we know whether the action has achieved what it was meant to?	Progress
<p>Information on the council's performance can either be provided directly by the council as 'pushed' information or it can be sought proactively by stakeholders as 'pulled' information.</p> <p>The improvement is intended to secure an increase in the range of performance information that is currently 'pushed' to local residents as well as a process that allows residents to 'pull' more detailed service performance information. There should be an overall performance report prepared annually that contains 'pushed' information and clear procedures should exist to allow residents to 'pull' more specific information in a format that suits them.</p> <p>Performance monitor prepared, and published May/June 2001.</p>	<p>Head of Corporate Development and Communication</p>	<ul style="list-style-type: none"> • New mechanisms developed to prepare service specific performance information by April 2001. • 'Pull' procedures agreed and implemented May 2001 	<p>An assessment of the amount of information 'pulled' is part of the council's new PPRg framework. Accessibility of council information will continue to be monitored through the council's biennial residents survey.</p>	<p>A Public Performance Monitor is in preparation and will be included within the next Headlines magazine (December 2001).</p> <p>Further avenues for public performance reporting will be considered following publication of the Performance Monitor and in response to any issues arising from the council's biennial Residents Survey.</p>

2. Prepare proposals for new public performance reporting arrangements with departments during the first quarter of 2001 for implementation in the new financial year.

Purpose of Proposed Action: This improvement has been chosen to ensure departmental consideration of the range of mechanisms that they currently use to share performance information with the public.

What will this Improvement achieve	Action Owner	Key Project Milestones	How will we know whether the action has achieved what it was meant to?	Progress
<p>This improvement action is intended to result in a range of processes being agreed within departments for the preparation and publishing of performance information.</p>	<p>Head of Corporate Development and Communication</p>	<p>All departments to prepare departmental public performance reporting processes for consideration by the Corporate Strategy Group in April 2001. Council's Corporate Development and Communications Section to propose arrangements for improving the range of mechanisms that are available to the public for receiving performance information.</p>	<p>There will be an increase in the amount of performance information prepared and distributed to the public and an increase in the avenues that the council uses to deliver performance information.</p>	<p>A Public Performance Monitor is in preparation and will be included within the next Headlines magazine (December 2001).</p> <p>Further avenues for public performance reporting will be considered following publication of the Performance Monitor and in response to any issues arising from the council's biennial Residents Survey.</p>

3. Identify any existing resources that can be used to support new public performance reporting processes. Ensure more systematic reporting of performance statistics to Members.

Purpose of Proposed Action: There is a need to undertake a cost/benefit analysis when considering any new processes for providing public performance information.				
What will this Improvement achieve	Action Owner	Key Project Milestones	How will we know whether the action has achieved what it was meant to?	Progress
This improvement is intended to provide a mechanism for prioritising any new processes for providing public performance reports.	Head of Corporate Development and Communication	Cost benefit analysis of the mechanisms identified in the council's action plan for achieving full public performance reporting to be prepared by end March 2001. Any proposals for new public performance reporting mechanisms will have been subject to full cost benefit analysis.	Revised PPRg guidelines approved	<p>Performance Information Working Group 2/8/1 agreed that all departments must ensure that the performance indicators are reported to their respective committees.</p> <p>A Public Performance Monitor is in preparation and will be included within the next Headlines magazine (December 2001).</p> <p>Further avenues for public performance reporting will be considered following publication of the Performance Monitor and in response to any issues arising from the council's biennial Residents Survey.</p>

4. Ensure that departments have mechanisms in place to consider feedback from the public performance reporting process when undertaking service planning.

Purpose of Proposed Action: An important part of the PPR process is that the public have the opportunity to comment on council performance and influence the service planning process.

What will this Improvement achieve	Action Owner	Key Project Milestones	How will we know whether the action has achieved what it was meant to?	Progress
<p>The improvement is intended to achieve an agreed framework for demonstrating that public views are taken into account in service planning processes.</p>	<p>Head of Corporate Development and Communication</p>	<p>Each department to provide a procedure for ensuring that stakeholder views are fed into the service planning process. These departmental procedures to be submitted to Corporate Strategy Group for approval by April 2001.</p>	<p>Departments regularly consider stakeholder feedback at Departmental Management Teams and service planning meetings.</p>	<p>Following the review of the Council's approach to Best Value Service Review, the revised guidelines for Service Review strengthen the link between stakeholder consultation and service planning.</p> <p>It is the intention that more detailed guidance will be produced specifically on stakeholder consultation and this will be incorporated within the Best Value Manual.</p>

Section (c) - Corporate Planning

1. The council's budgetary process should align resources more clearly to the priorities identified within the council plan.

<p>Purpose of Proposed Action: This improvement has been chosen to ensure that the council's limited resources are focused on its key priorities and to ensure that the financial implications of policy decisions are evident</p>				
What will this Improvement achieve	Action Owner	Key Project Milestones	How will we know whether the action has achieved what it was meant to?	Progress
<p>The improvement is intended to achieve an overall budgetary process that is policy led and directed by the council plan. It should ensure that, as a budget for 2002/03 and beyond is established, the impact of any proposed changes on the priorities within the council plan is identified explicitly to elected members and the public.</p>	<p>Head of Corporate Development and Communication</p>	<p>The council's Corporate Strategy Group will assess how the links between the council plan and council budgets can be set out to elected members during the budget process for 2002/03.</p>	<p>Budget decisions to increase or decrease resources will be clearly linked to consideration of impact on council priorities.</p>	<p>The Council Plan has been produced and service departments are required to take account of that when preparing departmental service plans.</p>

2. The council will assess the feasibility of developing and implementing a fully costed three-year budget and resource plan for the years 2001/02 to 2003/04.

Purpose of Proposed Action: There is now the opportunity to take a long-term view of the budget issues to be addressed over a three-year period.				
What will this Improvement achieve	Action Owner	Key Project Milestones	How will we know whether the action has achieved what it was	Progress
There may now be the opportunity to achieve a three-year revenue plan based on the resource assumptions available from the Scottish Executive and a management assessment of the likely financial environment.	Head of Corporate Development and Communication	The resources available for the three years 01-02, 02-03 and 03-04 to be determined following receipt of grant figures from the Scottish Executive. The Council to set indicative council tax increases for each of the years.	Budget process should become more long-term and focus on three year revenue assumptions, rather than annual financial plans.	The resources available for the three years 01-02, 02-03 and 03-04 have been determined. Three year grant figures have been provided by the Scottish Executive and the Council has set indicative council tax increases for each of the years. Members will determine final departmental resource allocations for each year. Such decisions are taken on an annual basis taking account of service reviews carried out by departments.

3. The council will produce a mid-term report on the progress it has made in advancing the council plan.

<p>Purpose of Proposed Action: This improvement has been chosen to ensure that stakeholders are involved in the corporate planning process for the council and to improve the council's public performance reporting.</p>				
<p>What will this Improvement achieve</p>	<p>Action Owner</p>	<p>Key Project Milestones</p>	<p>How will we know whether the action has achieved what it was meant to?</p>	<p>Progress</p>
<p>This improvement is designed to ensure that a mid-term assessment of the progress made in meeting the tasks set out in the council plan is published in the autumn 2001.</p>	<p>Head of Corporate Development and Communication</p>	<p>Departments to conduct self assessment of progress for those tasks for which they have lead responsibility by end of August 2001. Mid-term report prepared by end October 2001.</p>	<p>Recognition of the mid-term report will be surveyed through the council's biannual residents survey. Responses to the mid-term reports will be considered and reflected in departmental action plans where necessary.</p>	<p>The Head of Corporate Development and Communication will submit a report on this to Policy and Resources Committee of 29/11/01</p>

4. The Council will continue with the implementation of EAGER to all staff.

Purpose of Proposed Action: Will strengthen links between staff skills and competencies, training needs and service plans.				
What will this Improvement achieve	Action Owner	Key Project Milestones	How will we know whether the action has achieved what it was meant to?	Progress
Staff training needs will be assessed. Effectiveness of training arrangements will be assessed.	Head of Corporate Development and Communication	Target is a staged process during financial year 2001/02.	Subsequent annual EAGER assessments.	<p>The implementation of the East Ayrshire General Employee Review (EAGER) Scheme is being co-ordinated by the Council's Head of Personnel. Departmental representatives for EAGER have been identified and progress is monitored through review meetings involving the departmental representatives.</p> <p>The implementation of EAGER is being rolled out across all council services. At this stage it is anticipated that EAGER will be implemented fully within the council within 2004/05.</p> <p>The Depute Chief Executive/Director of Corporate Resources presented a detailed update report on the implementation of EAGER within departments to the 2 July 2001 meeting of the Senior Staff Management Team.</p>

AGENDA

