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**ARGYLL AND BUTE COUNCIL**

**Council**

**Customer Services**

**20 April 2017**

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**REVIEW OF PPMF – INTRODUCING THE NEW PERFORMANCE AND IMPROVEMENT FRAMEWORK**

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**1.0 EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to present to Council the new Performance and Improvement Framework (PIF) as outlined at recent elected members' seminars. Previously known as the Planning and Performance Management Framework, the Performance Improvement Framework underpins the delivery of council services according to our agreed strategic outcomes within allocated budgets.
- 1.2 The Performance and Improvement Framework presents a simplified approach to planning, improvement and performance management and will support elected members to scrutinise the Council's strategic performance against our priority outcomes more effectively.
- 1.3 The approval of the PIF will ensure that the Council continues to meet its requirements for Best Value under the Local Government in Scotland Act 2003.
- 1.4 Members are asked to approve the Performance and Improvement Framework
- 1.5 There are no financial implications from this report.

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**2.0 INTRODUCTION**

- 2.1 The Council has a well-established Planning and Performance Management Framework (PPMF), which underpins the delivery of services according to strategic priority outcomes within allocated budgets.
- 2.2 The PPMF was developed in 2009 and had a significant impact on the council's approach to aligning service activities with strategic priorities, accounting for expenditure and embedding a performance management approach to organisational behaviour from the strategic to the individual. It also supports improvement, one of the core components of delivering best value.
- 2.3 Since it was established, the PPMF has developed to include outcome based budgeting in service plans. The plans and performance are presented to senior management and elected members in scorecard format for performance review and scrutiny on a regular basis.
- 2.4 The plans and scorecard content have, however, become more and more complex over the years, with changes being made on an annual basis and often including low level operational performance statistics. This has reduced the scope for elected members to scrutinise effectively performance against strategic priorities and outcomes and results in them repeating the performance review related role at multiple committees.
- 2.5 The Performance Review and Scrutiny Committee and the Chief Executive have requested that a review of the PPMF is undertaken to simplify the process, reduce duplication and that the focus must move from reporting on what we can count to report on what counts and which supports improved scrutiny.
- 2.6 This paper introduces the reviewed PPMF, which it is proposed that we call the Performance and Improvement Framework (PIF). This change in emphasis recognises that as an organisation we have a mature approach to performance management and now need to focus on improvements and strategic scrutiny.

### **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that Council approve the new Performance and Improvement Framework.

### **4.0 DETAIL**

- 4.0.1 The council has had a Planning and Performance Management Framework (PPMF) in place for a number of years. From 2009 the development of scorecards and a structure of regular review of performance on these scorecards began to be embedded in a structured way from member scrutiny of the scorecards on a quarterly basis to annual PRDs, linked first to service measures and then to outcomes.
- 4.0.2 The scorecards were driven by the service planning process and developed in complexity over the years, to include, alongside the service performance, wider indicators on resources, audit, customer service and recovery planning, amongst other areas.
- 4.0.3 Service plans have also been accompanied by, over the years, a range of additional planning documents – customer improvement plans, service improvement plans, service communication plans, self-evaluation -- corporate PSIF, service PSIF and others. These plans also contain action plans producing confusion, duplication, lack of clarity on priorities and a focus on low level operational statistics. These additional plans have lacked consistency over time, with changes taking place in most years, which add to the overall complexity of the process and result in a loss of focus on what is important in delivering the services that the people of Argyll and Bute receive from the council.
- 4.0.4 In reviewing the PPMF, the focus has been on simplification and achieving a focus on what is important to the organisation and within a wider community planning context. The council now needs to move away from ‘what can be counted’ to ‘what counts’.
- 4.0.5 To move away from the concept of counting input activities and reporting, the proposed title of the new framework is the Performance and Improvement Framework or PIF. This retains the essential nature of ensuring we are accountable and report strategic performance, but also that our focus is on improvement and supports effective scrutiny.
- 4.0.6 In order to embed this into the council’s activities and begin to change mindsets, an initial change was made to the 2017/20 service planning process to introduce ‘Business Outcomes’ and reduce and replace the service outcomes. This was endorsed by the Policy Leads, then approved by the PRS Committee and was the subject of consideration at a Members’ Seminar in December 2016. These were then used as the basis for the approval of service plans when the Council’s budget was approved in February 2017.

## **4.1 Introducing the new Performance and Improvement Framework**

4.1.1 The PIF is a more structured and less bureaucratic framework. In simple terms it sets out the framework for:

- Looking ahead – what we will do in the future
- Making it happen – what we deliver
- Monitoring and review – how we have delivered, and how we know how well we have done
- Implementing change – how we improve

4.1.2 All of this adds up to the Difference That We Make as an organisation to the people we deliver services to. A single plan will incorporate customer improvement, service improvement, service communication and self-evaluation activities thereby removing multiple plans and improving clarity on outcomes and priorities.

## **4.2 Looking Ahead**

4.2.1 This section aligns all of our service activities with the Local Outcomes Improvement Plan (LOIP formerly SOA) outcomes for Argyll and Bute. It also recognises the role that support services have in enabling the organisation to meet its statutory requirements and to deliver improvements.

4.2.2 Early implementation of the first stage of simplifying the planning process has already been put in place with the approval by SMT, Policy Leads and PRS Committee to simplify the service outcomes, reduce their number and create a smaller number of business outcomes. This approach was applied to the service planning process for 2017/20 and approved by Council at the budget meeting in February 2017. The duration of plans will extend beyond the previous single year horizon to 3 year plans to provide consistency and improve the opportunity to deliver on key council outcomes and priorities. This approach will also reduce the bureaucracy associated with the current PPMF.

4.2.3 The PIF approach will lead to updated scorecards, which enable elected members to focus on high level and strategic, outcomes rather than low level activity measures. Officers will continue to monitor actions and measures and will continue to review operational performance and ensure that performance delivers on the priority outcomes.

4.2.4 The simplification of the service plans, aligned directly to the LOIP, and including service improvement actions will result in a reduction in the number of plans that are tracked across the organisation and a much greater clarity to highlighting the council's objectives and outcomes.

## **4.3 Making it Happen**

4.3.1 Making it happen relates to the delivery of services. How and what services are

delivered are informed by the plans developed in Looking Ahead.

- 4.3.2 Plans are developed to illustrate the future delivery of Outcomes with agreed people and financial resources. These are supported by our detailed service planning guidance.

#### **4.4 Monitoring and Review**

- 4.4.1 Linked to the above Looking Ahead and Making it Happen sections, the delivery of the plans is dependent on the resource planning that each service puts in place – the people, the finance, the actions and timescales. The council has a well embedded approach to planning and performance review. The difference that we make, however, is not always clearly aligned to what we are doing. The most important element of this part of the PIF will be to identify outcome indicators that clearly show that the actions we take are making a difference and actively contributing to our strategic aims.
- 4.4.2 The implementation for this piece of the PIF is longer term, with active involvement by elected members and managers in the process. This is planned for later in the review process, but will be complete, approved and in place for the new Council in 2017.

#### **4.5 Implementing Change**

- 4.5.1 Continuous improvement is core to the organisation ensuring that it continues to meet the needs of services users and to respond to and plan for external change. Improvement is generated by a range of sources – audit, inspection, customer and employee feedback and self - evaluation.
- 4.5.2 A core element of the revised PIF is the review of self-evaluation, and the creation of an Argyll and Bute Improvement Framework. Detailed analysis of the PSIF framework, the Customer Service Excellence and other quality frameworks is underway, and a recommendation will be brought to adopt an approach to quality and improvement that is applicable to Argyll and Bute, that is proportionate in its approach and will deliver on improvements.
- 4.5.3 It will however feature a rolling programme of self-evaluation activity at service/ sub-service level which will facilitate improved scrutiny by elected members and committee. This process will be informed by benchmarking across a range of sources, including but not limited to the Local Government Benchmarking Framework. Part of this process will also include consideration of alternative delivery options for services, such as make or buy, volunteering and other approaches that are either innovative or have been proven to work in other local authorities.

#### **4.6 The Difference We Make**

Altogether, this highlights the difference that we make as an organisation, enabling the public, elected members, scrutiny bodies, partners and employees

to have a clear understanding of what we deliver. Simplifying our approach to Planning and Performance Management will ensure that:

- The organisation can focus on what counts rather than what can be counted
- Performance review is carried out by management and scrutiny is carried out by elected members
- Service planning and improvements will be simplified into a single plan, reducing bureaucracy and improving efficiency and represent a longer term – 3 years.
- Our self-evaluation will be proportionate and targeted – fit for purpose for Argyll and Bute.

## **5.0 CONCLUSION**

5.1 The review of the PPMF is underway and making progress. The initial stage of service planning and the implementation of business outcomes is now underway. The draft PIF is attached for discussion.

## **6.0 IMPLICATIONS**

6.1 Policy	The PIF sets out the Council's policy Framework for Performance and Improvement.
6.2 Financial	None
6.3 Legal	The PIF underpins the Council's compliance with the Duty of Best Value under the Local Government Scotland Act 2003.
6.4 HR	The PIF includes the Council's approach to people and performance through PRD, Team and Service Planning. It also sets out the HR resource available to the Council in the delivery of all services. The PIF is a core document to the People Strategy.
6.5 Equalities	There are no equality issues from the EQIA
6.6 Risk	The provision of an approved PIF reduces the risk to the council of a failure to deliver on Best Value.
6.7 Customer Service	None

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## **Appendices**

### **1 – Performance Improvement Framework with appendices**