

**COUNCIL 6-MONTH PERFORMANCE REPORT – APRIL TO SEPTEMBER 2019**

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**1. SUMMARY**

- 1.1 The Performance and Improvement Framework (PIF) sets out the process for presenting the Council's performance reports. This paper presents the Council's 6-month Performance Report and Scorecard for April to September 2019.
- 1.2 It is recommended that the Audit and Scrutiny Committee reviews the Council's 6-month Performance Report and Scorecard as presented for the purposes of scrutiny.
- 1.3 It is recommended that the Audit and Scrutiny Committee note the recent developments of the PIF and the planned activity for 2019/20.

**Pippa Milne**  
**Chief Executive**

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**2. SUMMARY**

- 2.1 The Performance and Improvement Framework (PIF) sets out the process for presenting the Council's performance reports. This paper presents the Council's 6-month Performance Report and Scorecard for April to September 2019.
- 2.2 The paper identifies the strategic activities that have occurred during the reporting period and the key challenges and the actions to respond to them.
- 2.3 Recent changes and planned developments to the PIF are also summarised herewith.

**3. RECOMMENDATIONS**

- 3.1 It is recommended that the Audit and Scrutiny Committee reviews the Council report and scorecard as presented for the purposes of scrutinising the Council's performance.
- 3.2 The Audit and Scrutiny Committee note the recent developments of the PIF and the planned activity for 2019/20.

**4. DETAIL**

- 4.1 The Performance and Improvement Framework (PIF) was approved by the Council in September 2017. The PIF sets out the agreed framework for planning, monitoring and reporting the Council's performance.
- 4.2 The Corporate Plan is delivered through 17 Business Outcomes. The Business Outcomes create a corporate overview cutting across all Services and Departments. As of the 2019/20 financial year a suite of 17 business outcomes, owned and endorsed by SMT, were developed and used. These align to the Argyll and Bute Outcome Improvement Plan (ABOIP), Corporate Plan and the Priorities of Argyll and Bute Council 2017 – 2022.
- 4.3 Each Corporate Outcome is supported by a number of Business Outcomes, which in turn are supported by any number of success measures from across the Council.
- 4.4 This is the first Council 6-month performance report aligned to the 17 Business Outcomes.

The approved Service Plans 2019-22 are aligned to the 17 Business Outcomes. The consolidation of Business Outcomes produces a clearer picture of the work, achievements and challenges and encourages the use of more appropriate success measures.

- 4.5 The scrutiny activity is performed by Managers, Senior Officers and Elected Members at both Area and Strategic Committees. To ensure scrutiny occurs at every level the Service Plans and all success measures are built in Pyramid. Every success measure has commentary for every reporting period. This is helping us 'tell our story' and feedback received from Senior Management and Elected Members has been positive.

- 4.6 The Performance Report illustrates our achievements aligned to the Corporate Outcomes. Seven Business Outcomes have supporting detail highlighting how we are Delivering Our Outcomes in this reporting period.

There are 3 short-term challenges, 13 key challenges and 15 success measures that are off-track.

The 17 Business Outcomes are numbered BO101 to BO117 rather than the previous suite which were numbered BO01 to BO33.

As a result of moving to a reduced number of Business Outcomes some ongoing Key Challenges are aligned under a different Business Outcome for this reporting period only.

- 4.7 Appendix 2 illustrates the Council's Scorecard and Management Information. The Council Scorecard shows our progress towards delivering our Outcomes. These are illustrated through our 17 Business Outcomes. Of our 17 Business Outcomes 7 are Green, 10 are Amber, none are Red. The Scorecard presented is currently in Draft format.

A recent Scorecard development is the performance status of our Corporate Outcomes which is now illustrated. All of our Corporate Outcomes are Amber.

- 4.8 The Management Information shows areas of high-level cross cutting information such as absence, risks and complaints. Supporting commentary is provided below.

4.9 **Absence**

Absence levels for overall LGE staff has reduced this quarter in comparison to the previous quarter but remains above target. The reduction is mainly attributable to a reduction in colds, flu and absence relating to medical treatment.

The Wellbeing Strategy has been approved and we are currently at the recruitment stage for two wellbeing and attendance officers who will be supporting teams to improve wellbeing and reduce sickness absence. The aim is to have them in post early in 2020.

#### 4.10 **Performance Review and Development (PRDs)**

The council remains below target for the completion of PRDs and this can be largely contributed to low completion rates in the HSCP.

However it should be noted that in comparison to the same period last year the councils total PRDs completed has increased from 66% to 72%. This has been down to an overall upwards trend in completion rates in the HSCP (with the exception of Adult Care East) and a significant improvement in the completion rate within Roads and Infrastructure Services.

In summary while the council overall remains below target most departments (with the exception of Customer Services who have seen a slight decrease in completion rates) show an improving trend in comparison to the same quarter last year.

The completion of PRDs is an important part of the annual employee lifecycle and presents an opportunity for employees to reflect on their performance over the year with their line manager, receive recognition for good work and effort, identify any training needs or aspirations and discuss any challenges or problems.

The PRD is an integral element of our 'Golden Thread' that links individuals, teams and services to our Business Outcomes, then Corporate Outcomes and the Argyll and Bute Outcome Improvement Plan (ABOIP).

It also presents an opportunity to set goals and objectives for the year ahead which can be reviewed during the year and help to clarify expectations.

#### 4.11 **Complaints**

The first 2 quarters of 2019/20 saw an increase in the number of complaints, with 174 dealt with as Stage 1, and 41 as Stage 2. This is a 36% increase for Stage 1 and a 95% increase for Stage 2.

The responses within timescale have decreased, with an average of 63% of Stage 1 complaints responded to in time and 61% of Stage 2 complaints responded to in time.

Development and Infrastructure continues to receive the majority of complaints. There have been 141 Stage 1 and 32 Stage 2 complaints received. The Chief Executives Unit (including Financial Services and Community Planning and Development) did not receive any complaints within the last 6 months.

The table below shows the breakdown of complaints for April-September 2019.

	Stage 1			Stage 2		
	Total Number	No. in time	%age in time	Total Number	No. in time	%age in time
Chief Executive's Unit	0	0	N/A	0	0	N/A
Executive Director Pippa Milne	141	81	57%	32	17	53%
Executive Director Douglas Hendry	24	21	92%	9	8	89%
<b>Totals</b>	174	102	58%	41	25	61%

The Compliance and Regulatory team within Legal and Regulatory Support will be introducing a new monthly complaint monitoring report during FQ3 2019/20. The report will provide Heads of Service and Complaints Officers with current complaint response levels and highlight any areas where complaints are overdue.

#### 4.12 **Audit Recommendations**

Of the 52 Audit Recommendations 1 is off track while 3 are overdue. The 3 overdue audit recommendations are for the Education Service.

Audit recommendations are reported monthly to the Strategic Management Team and actions to complete them are recorded and allocated to the responsible officers.

#### 4.13 **Finance**

There is a forecast overspend for 2019-20 of £1.829m as at the end of September 2019. The net overspend is made up of a number of variances, both over and under spends and are noted as follows:

- Overspend of £1.669m within Social Work due to forecast slippage on the delivery of agreed savings and also a high demand for services.
- Under-recovery of car parking income - £0.105m
- Overspend of £0.065m due to increased costs of essential repairs on vehicles within Roads and Infrastructure
- Under-recovery of income in Public Conveniences - £0.050m
- Planned underspend in Roads Maintenance of £0.100m to offset overspends elsewhere within the service.
- Other small variances with a net overspend of £0.040m.

#### 4.14 **Strategic Risk Register (SRR)**

The Strategic Risk Register (SRR) details significant challenges and the agreed approaches to manage them. These specific interventions are subject to scrutiny at Strategic Committee Level and kept under review by the Council's Strategic Management Team. The current SRR has 12 risks in total. Three are red, five are amber and four are green. The three red risks relate to population decline, financial pressure faced by the Council in relation to HSCP funding the implications of the 2015 biodegradable municipal waste landfill.

#### **4.15 Operational Risks**

Development and Infrastructure have seven red risks with these relating to potential costs of dealing with environmental health issues, potential impact of weather on the road network and winter maintenance budgets, financial pressures on the employability service, the implications of the biodegradable municipal waste landfill ban and the cost of running ferry services. Commercial Services have one red risk relating to the risk of funding not being available to deliver key capital projects. The Chief Executive Unit has no red risks.

### **Other Strategic Activities**

#### **4.16 Corporate Management Restructure**

A Corporate Management Restructure was agreed by the Council at its budget meeting on 21st February 2019 and was implemented over the summer of 2019. The effect is to reduce chief and senior officer posts within the council structure producing a part year saving of £0.375m in 2019/20 and a full year saving of £0.5m from 2020/21 onwards. This reduction in the number of senior posts is in line with a national trend in Scottish Local government as a consequence of multi-million pound savings which councils have been required to achieve year on year to deal with reducing financial resources.

4.16.1 The previous corporate management structure for the Council, excluding the Health and Social Care Partnership, consisted of the Chief Executive as Head of the Paid Service, two Executive Directors and ten Heads of Service. The last full review of the management structure took place in 2010.

4.16.2 The new corporate management structure assembles new service groupings which can be classified under a name of theme headings.

- Financial Services
- Legal and Regulatory Support
- Education Services
- Commercial Services
- Roads and Infrastructure Services
- Development and Economic Growth
- Customer Support Services

4.16.3 A properly focused Commercial Service will bring a business acumen and innovation to the organisation and its future financial sustainability. The service incorporates the special projects/ estates team (SPT) given their proven track record on innovation, major project and contract management. The service also incorporates the major project client management function currently undertaken within Economic Development given the synergies between the past and current work of the SPT and the types of project being managed now and in the future in the Economic Development Programme. This also produces a closer synergy with the council's property design function. The potential of this service package will support the council to increase its commercial offers and pursue shared service opportunities with other authorities and partner agencies helping with medium to longer term financial sustainability.

4.16.4 The restructure allowed for a reduction of 2 Heads of Service posts and 4 Service Manager (3rd Tier) posts. The saving will undoubtedly impact on the corporate management capacity of the organisation with fewer Heads of Service and Service Managers. Such reductions in the capacity of the Council are however evident at the front line and at all levels of management in order for the organisation to adjust to reduced resources each year over the last decade. A significant challenge will be in managing public expectations from continuing reductions in capacity and the role of elected members in conveying the reduced resources position of the council with constituents will be critical.

#### 4.17 **Capital Strategy**

The Council has appointed Link Asset Services to undertake a review of the Capital Strategy looking at how the Council's priorities, strategies and plans need to shape the Council's investment prioritisation. This will include an approach to longer term capital planning.

#### 4.18 **Best Value Audit**

The Council has been preparing for its forthcoming Best Value audit by undertaking a series of self-assessments using Audit Scotland guidance. The output informed an update of the Corporate Improvement Plan. The self-assessments and plan were issued to Audit Scotland 27 September in advance of submitting to Argyll and Bute the scope of their audit. Over 900 separate pieces of supporting documentation has been gathered and indexed to support our self-assessments and will be shared with Audit Scotland when they are on site.

#### 4.19 **Short Life Working Group – Climate Change**

The Council agreed at its meeting 26 September 2019 to establish a Climate Change Environmental Action Group. The Group will consider and advise on policy options and opportunities for strategic projects and activities that will form part of our ongoing commitment to deliver the Climate Change (Scotland) Act.

The group will operate under the terms of a Short Life Working Group. The first meeting is in December where a plan to identify the focus for activity will be developed.

#### 4.20 **PIF Activity**

There is a large amount of activity being undertaken with regards to the PIF. The new Business Outcomes have been built in Pyramid, these are now visible on the Scorecards. As a result the Scorecards for FQ1 2019/20 have a new look and feel about them.

The structure of Pyramid is being aligned to the new Corporate Management structure that was implemented on 1 July 2019. As a result not all of the Management information is currently presented on the Council Scorecard.

Following the above realignment work the data cleanse of Pyramid will recommence. This will involve continuing to simplify where possible, remove old 'archived' data and overall improve the user experience.

The Draft Service Plans 2020-23 are in the process of approval by the Strategic Committees. HROD supported all the Heads of Service with workshops followed by a robust Quality Assurance (QA) exercise. The QA exercise included challenging the success measure, target, timeline and benchmarks to encourage continuous improvement.

The result is a suite of SMART\* Draft Service Plans that are clearly and consistently worded. (\*Specific, Measurable, Achievable, Realistic and Timely).

It is important to identify if what we are doing is making a difference to our communities. Work is on-going with senior managers and other local authorities to identify and develop Impact Measures which will align to our Outcomes and be illustrated in Pyramid.

The 2018/19 Local Government Benchmarking Framework (LGBF) data has been released. Senior Management have agreed that detailed analysis will be performed on a reduced suite of 48 indicators. These are indicators that 'matter' to our communities and organisation. The detailed analysis will be complemented with 'Telling Our Story' and 'Looking Forward' commentary by Heads of Service. The remaining indicators will still be analysed but without the supporting commentary. It is expected that the LGBF 2018/19 will be presented to the ASC in June 2020.

## **5.0 CONCLUSION**

- 5.1 This report updates the ASC on how we are Delivering Our Outcomes; the Key Challenges and how we plan to manage them; other Strategic activity that may have an impact on our performance and the planned changes to the PIF.

## **6.0 IMPLICATIONS**

- 6.1 Policy; none
- 6.2 Financial; none
- 6.3 Legal; none
- 6.4 HR; none
- 6.5 Fairer Scotland Duty: none
- 6.5.1 Equalities - protected characteristics; none
- 6.5.2 Socio-economic Duty; none
- 6.5.3 Islands; none
- 6.6 Risk; this report sets out key challenges to the organisation and actions in response.
- 6.7 Customer Service; none

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## **APPENDICES**

Appendix 1 - Seventeen Business Outcomes

Appendix 2 - Council 6 Month Performance Report

Appendix 3 - Council Scorecard: April to September 2019

**Pippa Milne, Chief Executive – Argyll and Bute Council**

19 December 2019