

**COUNCIL 6-MONTH PERFORMANCE REPORT – OCTOBER TO MARCH 2020**

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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.

As a consequence of Covid-19 alternative options for each PIF activity have been agreed by the Strategic Management Team (SMT). This paper presents the Council's 6-month Performance Report and Scorecard for October to March 2020 as agreed by the SMT

- 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 planned activity for Performance Management and Reporting during 2020/21 onwards.

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

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**2. SUMMARY**

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- 2.2 The paper identifies the strategic activities that have occurred during the reporting period.
- 2.3 Planned activity for Performance Management and Reporting commencing 2020/21 is also mentioned within.

**3. RECOMMENDATIONS**

- 3.1 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 scrutinising the Council's performance.
- 3.2 The Audit and Scrutiny Committee note that due to Covid-19 demands on staff and resources Performance Management was deprioritised. Attached is the Performance Report in a format that enables scrutiny of identified Key Performance Indicators (KPIs).
- 3.3 It is recommended that the Audit and Scrutiny Committee note the planned activity for Performance Management and Reporting during 2020/21 onwards.

**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 As a consequence of Covid-19 an unprecedented and unknown demand has been placed on staff and resources. Rather than report on the whole suite of Success Measures the decision was made to report and focus on a smaller number of Key Performance Indicators (KPIs).

- 4.3 To support scrutiny of performance by Elected Members and Senior Officers each Head of Service identified the Key Performance Indicators for this current reporting period.

In total 43 KPIs were identified covering all Services. Of the 43 KPIs 38 are on-track with 5 off-track.

The KPIs are presented in the following order (appendix 2) –

- Chief Executive's Unit
- Education
- Legal and Regulatory Support
- Commercial Services
- Customer Support Services
- Road and Infrastructure Services
- Development and Economic Growth

- 4.4 Appendix 3 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 3 are Green, 14 are Amber, none are Red.

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

#### 4.6 **Absence**

At 2019/20 year end a comparison of Argyll and Bute Council absence figures between 2018/19 with 2019/20 has been done and shows -

- Total work days lost per FTE for the whole Council in 2019/20 was 11.49 which is a 3.36% reduction from 11.89 days for 2018/19.
- Total work days lost per LGE staff in 2019/20 was 12.70 which is a reduction of 9.35% reduction from 14.01 days for 2018/19.
- Total work days lost per Teaching staff in 2019/20 was 7.97 which is a 39.09% increase from 5.73 days for 2018/19.
- Total work days lost in the HSCP in 2019/20 was 19.86 days which is a 7.37% reduction from 21.44 for 2018/19.

A direct comparison of Service level figures is not straightforward due to the Corporate Management Restructure with the exception of HSCP which has retained the same structure.

There has been a small reduction in the percentage of stress/depression/mental health in relation to long term absence in 2019/20 but it remains the most common cause of absence at 30% of all work days lost, with the next highest causes of absence category being medical treatment at 11.5% followed by musculoskeletal at 10% of all work days lost.

The Wellbeing Team was established in January 2020. The focus of the Wellbeing Strategy is to create a positive working environment for our staff which shows that we care about our staff - encouraging and supporting them to improve their health and wellbeing in order that they bring their best selves to work which will help us deliver

excellent services and reduce absence in the long term. During their first quarter they have focused on revising existing and creating new policies and procedures that support wellbeing and attendance as well as promotion of our existing wellbeing services e.g. Employee Assistance Programme (EAP).

#### **4.7 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 and Education.

This is a downward trend from last year's comparative rate of 77%. The majority of PRDs are completed in the final quarter of the year which coincided with the preparation for the impact of the COVID-19 pandemic.

In summary all units have seen a decrease in completion for this period. Some have subsequently completed the meetings in the 2020-21 financial year and an extension to 31 March 2021 has been granted to those who were unable to complete in the 2019-20 financial year and have not yet been able to hold the meetings due to operational pressures relating to the pandemic.

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.

#### **4.8 Complaints**

The last 2 quarters of 2019/20 saw a decrease in the number of complaints, with 124 dealt with as Stage 1, and 33 as Stage 2. This is a 29% decrease for Stage 1 and a 20% decrease for Stage 2.

The Stage 1 responses within timescale have increased, with an average of 60% of Stage 1 complaints responded to in time. 67% of Stage 2 complaints were responded to in time which is a 1% decrease from April to September 2019.

Development and Infrastructure continues to receive the majority of complaints. There have been 105 Stage 1 and 23 Stage 2 complaints received.

The table below shows the breakdown of complaints for October 2019 – March 2020.

	Stage 1			Stage 2		
	Total Number	No. in time	%age in time	Total Number	No. in time	%age in time
Chief Executive's Unit	12	8	67%	5	5	100%
Interim Executive Director Kirsty Flanagan	105	59	56%	23	14	61%
Executive Director Douglas Hendry	7	7	100%	5	3	60%
<b>Totals</b>	124	74	60%	33	22	67%

The Compliance and Regulatory team within Legal and Regulatory Support implemented a new monthly complaint monitoring report during FQ3. This report provides Heads of Service and Complaints Officers with current complaint response levels and highlights any areas where complaints are overdue.

#### 4.9 Audit Recommendations

Of the 56 Audit Recommendations 8 are off track while 8 are overdue. Of the overdue audit recommendations 7 are for the Legal and Regulatory Support Service.

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

A summary of Internal Audit activities is an item on the agenda for today's Audit and Scrutiny Committee meeting.

#### 4.10 Finance

The performance against budget for 2019-20 after adjusting for automatic and proposed earmarked reserve proposals, was an overall underspend of £0.502m. This compares favorably to an overspend of £1.118m in 2018-19. The net underspend is made up of a number of variances, both over and under, with the key ones being:

- An underspend of £2.368m on arising from a review of the loans fund approved by Council on 27 February 2020.
- An overspend of £0.907m on redundancies.
- An overspend of £0.477m across a range of services including unachieved procurement savings, a provision for a VAT mis-declaration, VAT advisor fees, insurance and bank charges which are offset by underspends in Non-Domestic Rates.
- An underspend of £0.541m in relation to contract efficiencies and savings in both the NPDO (Non Profit Distributing Organisation) and Hub DBFM (Design, Build, Finance and Maintain) contracts.

#### **4.11 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 reported SRR has fifteen risks in total. One is red and the remaining fourteen are amber. The one red risk relates to population and economic decline.

This reported SRR has since been revised and approved. As a result there are now twelve Strategic Risks which is an agenda item at this Audit and Scrutiny Committee and will subsequently be built in Pyramid.

#### **4.12 Operational Risks**

Acting Executive Director Kirsty Flanagan has 1 red risks which relates to Street Lighting Columns. The concerns identified are being addressed.

There are no other Operational Red Risks.

### **Other Strategic Activities**

#### **4.13 Corporate Management Restructure**

The recruitment process for a new Executive Director has been concluded with the Head of Financial Services being successful in getting the post. Parallel to this are recruitment for a replacement Head of Education and Head of Children and Families after the announcement by two existing Heads of Service to retire later in 2020. Given the situation regarding Covid-19 and associate recruitment challenges, interim arrangements have been put in place to provide continuity for the service pending permanent recruitment later in the year.

#### **4.14 Capital Strategy**

The emerging Capital Strategy looking at how the Council's priorities, strategies and plans shape the Council's investment prioritisation is in draft.

#### **4.15 Rural Growth Deal**

Further to a previous announcement by the Prime Minister Boris Johnson to formally commit the UK Government to investing in the Rural Growth Deal, both UK and Scottish Governments agreed an amount of £25m from each respective government.

This does not include strategic transport projects which will go through the Strategic Transport Projects Review of which Argyll and Bute will be the first in Scotland to be developed.

The next step is to work towards agreeing Heads of Terms and the timescale will be impacted by the General Election in December 2019.

#### **4.16 Best Value Audit**

The Council's Best Value Audit was published by the Accounts Commission in May 2020. The Accounts Commission identified significant improvements since the last Audit Report and commended the Council for that improvement at the Commission meeting that considered the report. The Council acknowledged the report at its meeting on 30<sup>th</sup> June and approved the associated Improvement Plan.

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

The group has met 3 times (Nov 2019 and January and March 2020). The group agreed a plan which was approved by the Policy and Resources Committee in December 2019. Containing 12 actions, the plan is split into 3 sections on Council Policy, Council Business, and Climate Change Champion. The plan is updated each meeting.

#### **4.18 Withdrawal from the EU**

As reported to this Committee in June 2019, a Tactical Team was established by the Chief Executive to review risks and opportunities emerging from a withdrawal from the EU. There has been significant developments since the last report concluding with the United Kingdom officially withdrawing from the European Union on the 31 January 2020 and entered transitional arrangements which ends 31 December 2020.

The tactical team met 9 times between October and March 2020 and the “no-Deal” scenario planning arrangements remain in place, pending the outcome of the transition period.

A number of risks remain for Argyll and Bute including;

- a) If a trade deal is not in place between UK-EU, then the UK will fall back on basic World Trade Organisation terms, meaning tariffs on goods and little practical cooperation to smooth border checks. There is a large sector in Argyll and Bute that currently trades in the EU common market using their “approved status” (i.e. without the need for certification of every consignment). Discussions continue at a national level with significant input from the Council's Regulatory Services to secure satisfactory solutions and ensure contingency plans are in place. Currently this remains a high risk.

- b) Loss of EU labour with adverse impact on key sectors including care, tourism, fishing and manufacturing.
- c) Impact on population from potential loss of EU migrants.
- d) Ensuring that our area does not lose out in replacement for EU funding.
- e) Hidden impact on rural and/or island communities including reduction in choice of food and increased costs in food in the event of a 'no deal' withdrawal.

In response to the final one above, the Tactical Team supported national charity FareShare in distributing food to Community Food Organisations. To improve networking and communication, the tactical team facilitated the creation of the Argyll and Bute Community Food Forum which launched 06 February 2020. Provided with 'seed corn' funding for a two year period, Bute Advice Centre will facilitate the forum and seek to develop a longer term sustainable forum if there is an appetite to do so.

The contingency planning and reporting arrangements were halted temporarily when the UK/Scotland went in lockdown on 23 March as a consequence of the Covid 19 pandemic.

#### 4.19 **Campbeltown Economic Summit**

Further to redundancies being announced at large employers in Kintyre (Campbeltown Creamery and CS Wind UK), the Scottish Government's Cabinet Secretary for Rural Economy chaired an economic summit in November 2019 to explore future alternative employment opportunities. A follow up working group meeting was held early March 2020 and a further meeting will be held autumn 2020.

#### 4.20 **Covid-19**

On the 13 March the Chief Executive put in place arrangements for a joint Council/HSCP strategic and tactical response to the early emerging threat of Covid. The Strategic Group met 10 times in March to view information and recommendations from the Tactical Group who met 9 times in March.

The HSCP commenced their Silver Command meetings the week commencing 13 March. These were health led and fed into the joint Council/HSCP resilience structures.

Schools closed in line with national guidance from 20 March and emergency action was taken to maintain to ensure that children who are entitled to free school meals continued to receive those meals immediately from the Monday 23<sup>rd</sup> March.



Other unplanned activity that commenced in the initial response in March included;

- a) Where possible employees were required to work from home which placed a significant impact on the Council's remote working network (VPN). ICT swiftly and significantly increased capacity to allow an increase from 300 to 1,145 of employees to work from home.
- b) ICT reprioritised their work to ensure that every member of staff had access to a laptop and other equipment necessary to work from home where appropriate. The existing integrated telephony system and established use of Skype for Business enabled all home workers to fully access all required systems and tools to ensure seamless continuity of service and effective response.
- c) Council property was closed to public access with many properties closed altogether. A number of hub offices remained open for employees where office access was critical.
- d) A dedicated helpline was created within Customer Services to direct all related enquires efficiently to the service or information required. This included Caring for People activities, providing essential, life critical service needs for isolated, vulnerable and shielded citizens, continuity of registration and other statutory services online and the management of business support grants and payments.
- e) In partnership with Argyll and Bute Third Sector Interface, work was undertaken to match the surge of offers of volunteers to the demands.
- f) Schools hubs were created to look after children of essential workers to support key services.
- g) Early engagement with the Argyll and Bute Community Food Forum to support the coordination of food to vulnerable customers.
- h) Establishment of new temporary service to process the UK Government's Business Support Grants and over 1,400 applications were received by Argyll and Bute Council by the end of March. The same team also responded to a fourfold increase in applications to the Scottish Welfare Fund.
- i) Commencement of redeployment of staff to new duties to support the emergency response to the pandemic e.g. redeployment of Business Gateway and Internal Audit staff redeployed to support processing of business support grants.
- j) Playparks, football grounds, toilets, civic amenity sites closed to public in line with national guidance.

- k) Through the Care for People Group put in place systems to support vulnerable people 'shielding' from the virus. This included deliveries of food, medical prescriptions and other services.
- l) Based on an assumption of excess deaths, contingencies arrangements commenced for storage. This included regular dialogue with undertakers.
- m) Social distancing arrangements for services continuing were put in place e.g. ferries, waste, school hubs etc.
- n) Commence Planning for Recovery.
- o) Regular liaison with national and regional resilience partners.

#### 4.21 **Recovery**

The Council has approved a Recovery Strategy that incorporates both organisational recovery through the Recovering Council Plan and Economic Recovery Strategy, which is being implemented with partners. There is also an Education Recovery workstream, which has oversee the reopening of all schools in Argyll and Bute, in line with Scottish Government guidance.

The Council's recovery is underway and ongoing in the context of the ongoing challenges of the continually changing Covid-19 situation.

#### 4.22 **PIF Activity**

There is a large amount of activity being undertaken with regards to the PIF.

The structure of Pyramid is now aligned to the new Corporate Management structure that was implemented on 1 July 2019.

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

Senior Management agreed that detailed analysis will be performed on a reduced suite of 48 indicators from the 2018/19 Local Government Benchmarking Framework (LGBF) dataset. 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. The LGBF 2018/19 will be presented to the ASC in December 2020.

To help ensure appropriate monitoring and scrutiny of performance management continues to take place the reduced suite of KPIs will be monitored and reported on at appropriate Strategic Committees until a decision is made otherwise.

Pyramid will remain 'live' with all Success Measures aligned to Service Plans and updated as agreed.

This agreed process will also feed into the Performance Management Project which is due to commence during September 2020.

#### **4.23 Performance Management Project**

Following on from the BV3 audit an Improvement Plan has been developed and approved by the Council on 30<sup>th</sup> June.

Within the Improvement Plan (also presented at this meeting) items BV2.1 and BV2.2 notes the actions identified to improve Performance Management reporting to provide a balanced picture of long-term trends in performance against targets.

A Performance Management Project will commence shortly, the first phase will focus on consultation with our customers and stakeholders to collate views on the performance management.

Future updates on the project will be noted in the Council 6-month performance report presented at this committee.

## **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 along with implemented and 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 - KPIs - All Services' Year End Performance 2019/20

Appendix 3 - Council Scorecard: October to March 2020

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

28 August 2020