

REVIEW OF PERFORMANCE MANAGEMENT

1.0 EXECUTIVE SUMMARY

1.1. This report sets out the primary findings of a review of Performance Management and recommendations to simplify our existing performance framework, empower Members to scrutinise performance, shape policy, and ultimately improve outcomes.

1.2. It is recommended that the Council;

- a) Agree a proposed suite of Corporate Outcome Indicators (as set out in appendix 1) to be reported to Strategic Committees as set out in paragraph 4.10 and remove Business Outcomes.
- b) Agree to pilot a more immersive method of assessment of performance.
- c) Agree Members' review priorities within the Local Government Benchmarking Framework.
- d) Members' note that changes will take effect for financial year 2022 – 2023 with a review to come back to a future meeting of the Council.

REVIEW OF PERFORMANCE MANAGEMENT

2.0 INTRODUCTION

2.1 Further to the findings of the Best Value Audit in 2020, this report sets out the primary findings of a review of Performance Management and recommendations to simplify our existing performance framework, empower Members to shape policy and ultimately improve outcomes.

3.0 RECOMMENDATIONS

3.1 It is recommended that the Council;

- a) Agree a proposed suite of Corporate Outcome Indicators (as set out in appendix 1) to be reported to Strategic Committees as set out in paragraph 4.10 and remove Business Outcomes.
- b) Agree to pilot a more immersive method of assessment of performance.
- c) Agree Members' review priorities within the Local Government Benchmarking Framework.
- d) Members' note that changes will take effect for financial year 2022 – 2023 with a review to come back to a future meeting of the Council.

4.0 DETAIL

4.1 In June 2020 the Council considered the findings report and recommendations from the Accounts Commission on the Best Value Report on the Council. The report concluded that the Council's public performance reports do not provide a clear picture of how well the council is performing against its corporate outcomes and consequently one of the recommendations is to improve performance management reporting to provide a balanced picture of long term trends in performance against its targets.

4.2 Members may also recall that the accompanying Best Value Action Plan agreed by the Council in June 2020 sets out a series of activity in direct response to the recommendation. Jane Fowler was appointed Senior

Responsible Officer (SRO) to appoint a project lead and oversee the development of the project; as CEO I am the Project Sponsor.

4.3 Table 1 below highlights key activity of the review.

Month	Activity
Oct 2020	SMT signed off Project Initiation Document
December	Online survey with Chief Officers and Senior Officers (COSO)
Jan 2021	4 x Virtual Introductory Workshops with COSO
January	Data survey
January	Members Online Survey
January	Members Seminar 1
February	6 x Virtual Stakeholder Workshops
March	Project progress report to Audit and Scrutiny Committee
March	Learning Sessions with other Local Authorities
April	3 x Strategy Map Virtual Workshops
April	Members Seminar 2
May	Draft Strategy Map
June	Review of Indicators
June	Progress Meeting with Audit Scotland
June	Review of all reports to Strategic and Area Committees
July	Selection of draft Corporate Outcome Indicators
August	Members' Online Survey 2
August	Members Seminar 3

4.4 The extensive engagement with Members and officers across the organisation allowed the project team to develop a clear understanding of our current culture and approach and what Members and officers want. We know we have an overly complex and prescriptive performance measurement system which consumes significant officers' time which may not equal in value the benefits we receive.

4.5 From our engagements we identified that we require a system that is:

- a) Simpler to use and understand.
- b) Reduces the current significant levels of duplication
- c) Consists of a smaller and more meaningful set of indicators
- d) More customer focused.

4.6 A review of reports submitted to Strategic Committees and Area Committees over a two year period (2019 – 2021) demonstrates that nearly half of all reports contain performance related information and further to a second online Members Survey and Seminar it was established that;

- Levels of satisfaction with how performance is scrutinised by Members is not high.
- 90% of survey respondents agreed in principle we could reduce the amount of information reported to Committee if already publicly available.
- Over half of survey respondents don't think existing arrangements provides enough information to be able to shape policy.

4.7 We have made improvements to how we manage performance and some examples are as follows;

- a) The number of performance indicators reported through the Service Plans have been reduced from over 300 at their peak down to 85 to ensure a smaller set of meaningful indicators at the strategic level.
- b) Quarterly performance reporting to Strategic Committees has been simplified with an emphasis on trends with supporting narrative to provide context. It is understood this is popular with members and supports them in scrutinising performance.
- c) The collaborative style of the project has generated significant interest, discussion and ideas on how we can improve performance management at service, departmental and organisational level.

4.8 This report sets out a proposal for the Council that seeks to provide a revised and much simpler framework that allows Members control and improve effective scrutiny of Council performance as follows;

Simplify	Empower	Improve
Reduce number of Performance Indicators	'Deep dive' assessments of performance	Presentation of information
Remove Business Outcomes	Review priorities within LGBF	Public performance reporting
How we publish information.	Informed to shape policy	Outcomes

Simplify

4.9 The project team identified a set of 44 indicators to support the Council in reporting progress grouped by our 7 corporate outcomes. The proposed draft Corporate Outcome Indicators can be viewed in appendix 1.

4.10 It is proposed that reporting of indicators to Strategic Committee is as follows;

Committee	Existing reporting of Indicators by Service	Proposed reporting of Indicators by Corporate Outcome
Community Services	<ol style="list-style-type: none">1. HSCP2. Education	<ol style="list-style-type: none">1. People live active, healthier and independent lives.2. People will live in safer and stronger communities.3. Children and young people have the best possible start.4. Education, skills and training maximise opportunities for all.
Environment, Development and Infrastructure	<ol style="list-style-type: none">3. Roads and Infrastructure4. Development and Economic Growth	<ol style="list-style-type: none">5. Our economy is diverse and thriving6. We have an infrastructure that supports sustainable growth.
Policy and Resources	<ol style="list-style-type: none">5. Commercial6. Customer Support7. Financial Services8. Legal and Regulatory	<ol style="list-style-type: none">7. Getting it right

4.11 Historically when the Council reported on over 300 indicators it was considered too many to group by corporate outcome. For this reason Business Outcomes were created as a middle level to categorise information between corporate outcomes and indicators. Engagement with officers and Members' alike has confirmed that Business Outcomes are largely unpopular, creates complexity and deemed obsolete. With a smaller set of indicators, removing Business Outcomes is a quick win to simplify the system and group indicators by corporate outcome only.

4.12 As articulated earlier in this report, 90% of respondents to the Members Survey agreed in principle we could reduce the amount of information reported to Committee if already publicly available. With effect from the

beginning of the next financial year, this will become the default position and will improve Public Performance Reporting.

Empower

- 4.13 It is proposed to pilot in 2022 - 2023 under the new Council a more immersive style of scrutiny for members that;
- Provides a more in-depth and broader assessment of performance (i.e. are we achieving what we set out do and what is the level of impact?).
 - Creates a conversational culture that allows members to engage with officers in a manner that can inform and shape policy.
 - Can be cross cutting or theme specific e.g. a corporate outcome, public protection, child poverty, fuel poverty, housing etc.
 - Focus on improving outcomes.
- 4.14 Sometimes known as a 'deep dive', subject to a successful pilot, we would envisage in agreement with members a wider and agreed programme of in-depth assessments over a longer period. Respondents in the Members Survey were largely in favour (63%) whilst 27% were neutral and 9% disagreed.
- 4.15 A majority of respondents to the Members Survey (73%) agreed that Members' should consider priorities within the Local Government Benchmarking Framework and it is recommended that this is undertaken by the new Council.

Improve

- 4.16 In addition to the proposals set out above, the planned decommissioning of Pyramid provides an opportunity to;
- Review and simplify how we present performance information to improve scrutiny.
 - Improve Public Performance Reporting
- 4.17 Ultimately these changes will support the organisation in its pursuit of continuous improvement and more importantly Members' desire to improve outcomes for all.
- 4.18 Subject to the Council agreeing the recommendations, the next step is to prepare to implement these changes with the new Council in 2022.

5.0 CONCLUSION

- 5.1 Further to the Council approving the Best Value Improvement Action Plan in June 2020, a full review of our Performance Management Framework is complete.
- 5.2 The project team adopted a collaborative approach using an extensive range of feedback to develop a clear understanding of our current approach and what we can do to improve.
- 5.3 The recommendations seeks to simplify our existing performance framework, empower Members for more effective scrutiny of performance and create the opportunity to further improve outcomes.
- 5.4 Our approach to performance management has been one of continuous evolution and I am confident that our proposals will support the new Council in 2022 to continue our journey to improve outcomes.

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; failure to implement a key recommendation from Accounts Commission Best Value Audit findings.
- 6.7 Customer Service; improve Public Performance Reporting.

Pippa Milne
Chief Executive
31 August 2021

Mary Jean Devon – Policy Lead for Support Services

Appendix - DRAFT Corporate Outcome Indicators