

Highland Council

25 June 2009

Best Value 2

Report by the Chief Executive

Agenda Item	
Report No	

Summary

This report up-dates members of the Best Value 2 (BV2) pathfinder process for the Council. It advises of the currently known timeline, the need for the Council to make an evidenced submission of its performance by 15th July 2009 and recommends a process for Members to sign off the final submission to Audit Scotland. A presentation will also be given by Audit Scotland at the Council meeting.

1. Introduction

- 1.1 A report on the proposed Best Value 2 (BV2) process was presented to the Council in May 2009 and was followed up by a cross-party group meeting to agree the Council's consultation response. Since then the timing of the audit has been confirmed. A timeline of the process is attached at Appendix 1.
- 1.2 Members are reminded that the characteristics of a Best Value Council, which will be audited, are summarised in terms of:
 - Vision and strategic direction: leadership and culture; planning and resource alignment
 - Partnership working and community leadership: right partners; right relationship; effective leadership; good governance, demonstrable outcomes
 - Community engagement : commitment and dialogue; involvement and support; impact and change
 - Governance and accountability: governance and accountability (structure and policies, roles and relationships); scrutiny and challenge; public performance reporting (balanced reporting, information that's useful to citizens).
 - Performance management and improvement: customer focus and responsiveness; performance management; efficiency; competitiveness; risk management
 - Use of resources: financial management; asset management; managing people; procurement; ICT.

2. The Council's submission

- 2.1 The Council is to prepare a submission to Audit Scotland by 15th July 2009. This will be reviewed by the scrutiny bodies and compared to their own assessment of the Council's performance. On 19th August we will receive their assessment of our strengths and weaknesses / areas for improvement and this will be discussed in a meeting with them on 2nd September when the scope of the audit is to be agreed.
- 2.2 The guidance on the submission states simply:

"You should provide a self evaluation briefing note. This will be an important source of evidence for the joint risk assessment process. It should describe clearly how well the council is performing, and summarise its arrangements for delivering continuous improvement. It should:

- demonstrate awareness and supporting evidence of the areas that need to improve as well as those where things are going well.
- sign-post supporting evidence – but should not include it.
- provide a commentary on work in progress within the council in terms of its improvement approach and performance trends.

We would like the briefing note to be a short summary of existing information sources and self evaluation/performance management processes, including any examples of local innovations or good practice. It should ideally be no longer than 7-pages of A4”.

- 2.3 The ability to provide robust evidence of the Council's performance is very important as it is through this process to demonstrate good internal scrutiny; thus making the case for a more stream-lined approach to external scrutiny.
- 2.4 The framework to be adopted for self-evaluation of the Council is the Public Service Improvement Framework (PSIF). Its use is becoming more prevalent across Councils with 19 now using the framework and it is also used by other public sector bodies. However full implementation of the Framework will take 2-3 years across all Council services. Work is in progress to use the PSIF for a self-evaluation of the Council's performance at the corporate level by the Senior Management Team (SMT) by 9th July 2009 to form part of the submission to Audit Scotland. The framework is shown in a diagram, along with the corporate self-evaluation question set in Appendix 2.
- 2.5 Service performance will also need to be included in the submission succinctly (half a page per service) and with links to evidence of performance. The Service submissions are being prepared by the Senior Management Team.
- 2.6 Following the completion of the self-evaluation by the Senior Management Team the final submission for Audit Scotland will have to be finalised. It is proposed that this final submission is approved by the Chief Executive in consultation with a cross-party group comprised of the Convener, Leader of the Administration, Group Leaders of the Administration and the Leader of the Opposition, or their nominated substitutes. This submission will need to be approved and submitted to Audit Scotland no later than the 15th July.
- 2.7 A presentation on BV2 will be provided to the Council by Audit Scotland at this meeting.

4. Recommendation

The Council is asked to note:

1. the audit timeline and the use of the PSIF for the self-evaluation of Council services;
2. the requirements of the BV2 submission by the Council – at corporate and service levels;

The Council is asked to agree:

3. the final submission should be approved by the Chief Executive in consultation with the Convener, Leader of the Administration, Administration Group Leaders and the Leader of the Opposition, or their substitutes, to allow submission no later than 15th July;

Signature:

Designation: Chief Executive

Date: 17 June 2009

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Best Value Audit and Corporate Performance Developments Timeline

- April 2009 **Council advised it is included in BV2 pathfinder** –meets Auditors
Gateway 2 approval to procure an electronic risk and performance system
- May 2009 **BV2 proposals announced: shared risk assessment, single corporate assessment, self-evaluation and annual audit plans**
BV1 improvement plan concluded
SOA2 approved with reduced no. of performance indicators and 7 areas for partnership review, including joint performance
- 17.6.09 **Round table scrutiny assessment of Council by external scrutiny bodies including Audit Scotland for BV2**
- 2.9.09 **Shared risk assessment meeting to agree scope of BV2 audit**
- 28.9.09 **BV2 auditors on site**
- Dec 2009 **BV2 audit report**
Implementation of e-measurement / management system
- March 2010 **BV2 Improvement Plan agreed**



The Highland Council, Corporate Assessment Question Set 10.06.09

Scope:

How Political Leadership & SMT work together to:

- **Prioritise & communicate clear vision and values**
- **Define & achieve outcomes**
- **Deliver Continuous Improvement (Efficiency & Effectiveness)**
- **Motivate people**
- **Satisfy customers**

No.	Criteria	Questions	Examples from Improvement Service
1	1. Leadership	Leaders have developed clear aims, vision and values for the organisation.	Plans at corporate, department and service level support formulated, adopted and recognised objectives. There is evidence that that senior managers and politicians promote and lead on an equality improvement agenda. Do these address equality and sustainability agendas.
2	1. Leadership	Leaders support and develop a culture of continuous improvement throughout the organisation	Innovative and creative activities are encouraged. They are directly involved in improving efficiency. They encourage others to improve. They explore ways of improving the way they manage and develop their people
3	1. Leadership	Leaders regularly review and improve their own performance	They identify and develop the knowledge, skills and behaviour they need to be effective leaders. They participate in 360 degree appraisal. They have personal continuing professional development plans.
4	1. Leadership	Leaders motivate and support staff	Staff feel valued. Staff surveys are conducted and acted upon. Close team working is evident. Staff are encouraged to develop and are offered promotion opportunities and rewards.
5	1. Leadership	Leaders are open and engage with staff, customers and potential customers, partners and stakeholders	They engage with staff at all levels across their services. Customer opinions are sought and used to improve services. Communication with partners is regular and meets their needs. They are not seen as being remote.

No.	Criteria	Questions	Examples from Improvement Service
6	2. Service Planning	All services / teams have management plans to deliver agreed organisational outcomes	Corporate, Department and Service Plans are linked and designed to deliver agreed corporate objectives
7	2. Service Planning	Service plans and strategies are reviewed regularly	Plans are reviewed to reflect changes in customer needs, new initiatives and to improve standards
8	2. Service Planning	There is a systematic approach to performance management that supports strategies and plans.	Performance is measured using Performance Indicators and Service Standards. Outcomes are measured
9	2. Service Planning	Performance is monitored on a regular basis and reported to the appropriate group:	IS Board of Directors, Management Team, Committee and stakeholders.
10	2. Service Planning	SMART targets are set for performance indicators and these are monitored for teams and individuals to improve performance	Leaders take responsibility and are held accountable for continually improving performance in their areas.
11	2. Service Planning	Targets take into account previous and planned performance and good practice	The rationale for targets is clear and systematic and aligned to: the performance management system, single outcome agreement, benchmarking and external standards
12	2. Service Planning	Clear, measurable standards have been set for services, that are meaningful to customers/stakeholders	Standards are easy to understand and reflect customers experiences. Customers know what standards to expect.
13	3. People Resources	There is a systematic approach to identifying and improving people's knowledge, skills and capabilities and this supports service strategy and plans	People are clear how their job fits into the objectives of their team, the service and the organisation as a whole. The skills and knowledge required for all posts is identified and communicated. Continual professional development is encouraged and supported.
14	3. People Resources	Personal Development Plans have been developed for all people.	PRDP is used effectively across all services and everyone is aware of how they can develop.
15	3. People Resources	People take ownership and responsibility for decisions that affect their performance and/or that of their team and the service	Responsibilities are clear and people at all levels are held to account
16	3. People Resources	People's contribution to the organisation is recognised and valued and leaders, managers and staff demonstrate these behaviours	Staff surveys indicate that staff feel valued. Managers praise good work and career development paths are clear. Front line staff groups are supported by senior managers. Staff contribute to departmental and corporate publications.

No.	Criteria	Questions	Examples from Improvement Service
17	4. Partners and other resources	Partnerships have demonstrable benefits for customers/stakeholders	Formal and informal partnerships are developed to meet recognised customer / stakeholder needs. Customer feedback is used to improve the quality and range of services. Service Level Agreements are in place and outcomes clearly defined
18	4. Partners and other resources	There is a systematic approach to partnership working and this supports the organisation's strategy and plans	Partnership selection includes an evaluation of the potential partners to ensure they are compatible with key priorities relating to the environment, equalities and social responsibility. The organisation and its partners lead improvements in equality effectively.
19	4. Partners and other resources	Partnership arrangements are efficient and effective	Whole life cycle costing is used. Evaluation is carried out by an independent or external body. Clear measures are identified. Option appraisal is used. Formal Joint Working arrangements.
20	4. Partners and other resources	There is a systematic approach to identifying and managing information and knowledge and using it for management decisions and service improvements	Clear processes identify how information is gathered and analysed to inform planning and improvement. Performance results and the outcomes of consultation exercises are evaluated and used to improve. Information is gathered and evaluated to challenge the way in which services are delivered in terms of efficiency. The reasoning that underpins the decisions of the Senior Management Team is clearly documented and traceable
21	4. Partners and other resources	Efficiency indicators are in place and they enable efficiency savings to be measured	The performance management system includes: the monitoring of efficiency indicators; details of efficiency related indicators and the monitoring of these on a regular basis, also improvement actions as a result of monitoring performance
22	4. Partners and other resources	There is a systematic approach to the management of non-financial resources and this supports service strategies and plans	The organisation has developed systematic strategies, plans and processes to manage non-financial resources such as land, buildings, vehicles and equipment
23	4. Partners and other resources	The organisation makes best use of its resources and ensures they are sustainable	The management and maintenance of assets improves total life cycle performance. The organisation optimises consumption of resources. Resources are utilised in an environmentally sound manner throughout the life cycle and disposal
24	5. Service Processes	Services are delivered to customers / stakeholders in ways which meet their needs.	Methods used are inclusive and consider and remove barriers to participation. This will include involving hard-to-reach and disadvantaged groups and individuals, particularly people who have a number of different needs and customers whose views are rarely heard.
25	5. Service Processes	Customer consultation, including complaints, is used to improve services	Customer complaints procedure is provided for use by customers. Customer care policy or customer charter showing expected response times and commitments. Service Standards where a commitment to deal with complaints within a time limit is in place
26	5. Service Processes	Customer care policies are in place which cover equal opportunities and diversity	Details of the actions taken to develop policies and procedures that will support activities and initiatives. Activities and initiatives are detailed in action plans to meet the requirements to promote equality. Evidence of successful compliance, internal and/or external audit results.

No.	Criteria	Questions	Examples from Improvement Service
27	5. Service Processes	There are clear lines of responsibility for service delivery	The service plans their activities and initiatives with responsible officers defined The service has a performance management system that shows the responsible officers for activities and initiatives
28	5. Service Processes	There is a systematic approach to reviewing and improving service delivery	The service reviews its approach to service delivery to ensure it continues to meet its objectives Details of the service's performance management system which includes regular reviews Performance management strategy/framework
29	6. Customer Results	There are indicators to measure customer satisfaction	The organisation has established and monitored perception measures that provide information on the various activities undertaken by the organisation in fulfilling customer requirements, e.g. the results of customer surveys, focus groups, compliments and complaints evaluating: Delivery of services Timeliness of service delivery Quality of information provided Professionalism of the organisation's staff Staff attitudes Cost of the service Responsiveness to diverse community needs
30	7. People Results	There are indicators to measure the effectiveness of people strategies and policies	The measures that the organisation uses (internally) to monitor, understand, predict and improve the performance of people. The organisation may have indicators based around themes, such as: Peoples' achievements Motivation and involvement Satisfaction Services provided to the organisation's people Demonstrating a modern diverse workforce which reflects the local community.
31	8. Community Results	There are indicators to measure impact on our communities (local and professional)	The perception measures the organisation has established and monitors that provides information on the image of the organisation in the community. This may include the results of customer surveys, public meetings and reports. Data can be collected two ways, direct (information collated by the organisations to measure the community's perception) and indirect (data collected by other parties). Examples of perception measures may include: Image Performance as a responsible citizen Involvement with communities it operates within Satisfaction that services meet diverse community needs.
32	9. Key Performance Results	There are indicators to measure performance in all key/core areas	The indicators that provide information on the performance of the organisation in regard to efficiency Performance against efficiency indicators may be: Financial Non-financial

