

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Executive

Council : 30 September 2009

Subject: Developing the new BV Improvement Plan

1. Purpose of Report

- 1.1 This report proposes appropriate governance structures and discusses the key priorities arising from the recent Best Value Audit.

2. Background

- 2.1 The 2009 Best Value Progress Audit was carried out by Audit Scotland in March 2009– with their draft report being received in May and the final version (with the Accounts Commission conclusions) published on the 9th July 2009.
- 2.2 A report on the initial Audit Scotland findings was submitted to Council on 24th June and the final published version was considered by Council on 26th August. It was agreed that an appropriate response would be considered by the Improvement & Efficiency Executive Working Group (I&EE) before submission to Council in September.
- 2.3 At its meeting on 26th August the Council accepted the Commission's findings in terms of the lack of progress and failure to display strategic leadership. The Council did note its concern about the claim that political conflict is having a negative effect on the operation and development of the Council and has called for a report giving clear examples where this has occurred.
- 2.4 Although Audit Scotland has broadly commended our more integrated approach to addressing the issues raised during the Best Value audit process, there is an opportunity at this stage to review the structure and processes to ensure they remain fit-for-purpose. In particular some key 'overlapping' themes require better co-ordination, the I&EE requires to take a more strategic role and the continuing relevance of the workstream approach requires review.

3. Main Issues

- 3.1 The four key priorities remain substantially as identified in the 2008 Best Value Audit report with the addition of improving our organisational culture.
- **Improve strategic leadership** - including progressing the 8 key priorities and agreed discussion areas, rolling out PSIF, financial planning, improving decision-making processes, and improved scrutiny of performance and of decision-making.

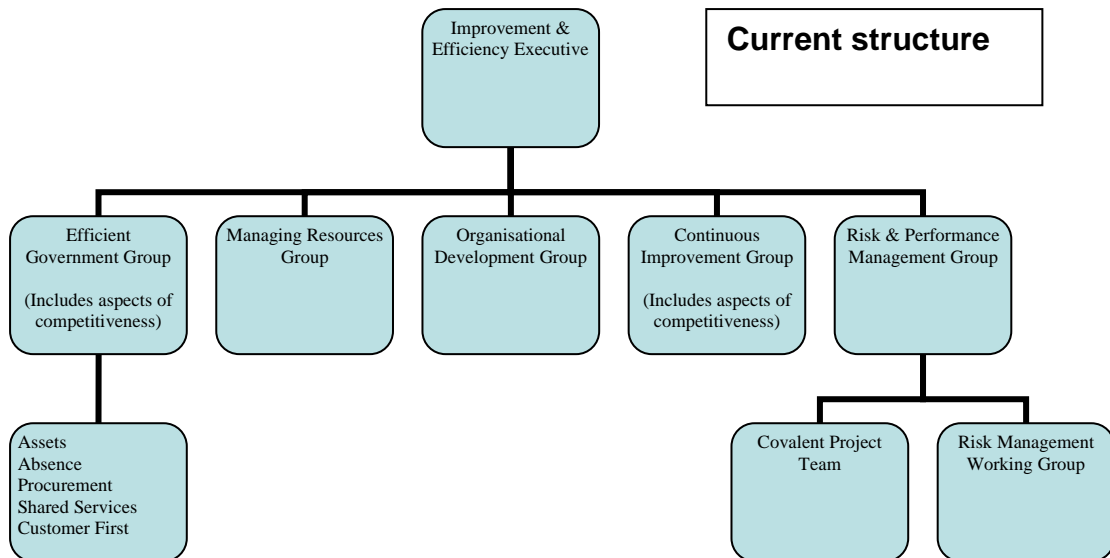
- **Demonstrate competitiveness of services** including better benchmarking, better co-ordination and peer-review of competitiveness and (in the longer term) comprehensive option appraisal (initially focussing on the 20 priority services identified by departments).
- **Improve organisational culture** – including developing better Member-Officer relationships, progressing outcomes from culture-change initiative and staff survey. These will be supported by other organisational commitments such as manager and Elected Member development, improving absence management and implementing the new Frontier system and developing a corporate workforce plan
- **Improve community engagement** – including implementing agreed action plans, improving consultation, and coordinating the approaches to community engagement which already exist or are being developed through the CPP and through various departments and sections within the Council.

3.2 Governance and Management of the BVIP

3.2.1 Audit Scotland have broadly commended our current approach but noted some key issues:

“The clarity of the reporting framework and the coordination of the council’s Best Value improvement plan (BVIP) have improved. In February 2008, the council set up an improvement and efficiency executive (I&EE), replacing the previous steering group and working group. Although the governance arrangements have improved, the group is not providing sufficiently strong leadership to the improvement work and is not driving forward the improvement agenda or challenging the pace of change.

Progress of the improvement plan is recorded and monitored through the Covalent performance management system. This assists reporting and coordination, although the approach for measuring progress is not fully effective and needs further development to better support monitoring of the impact of improvement activity”



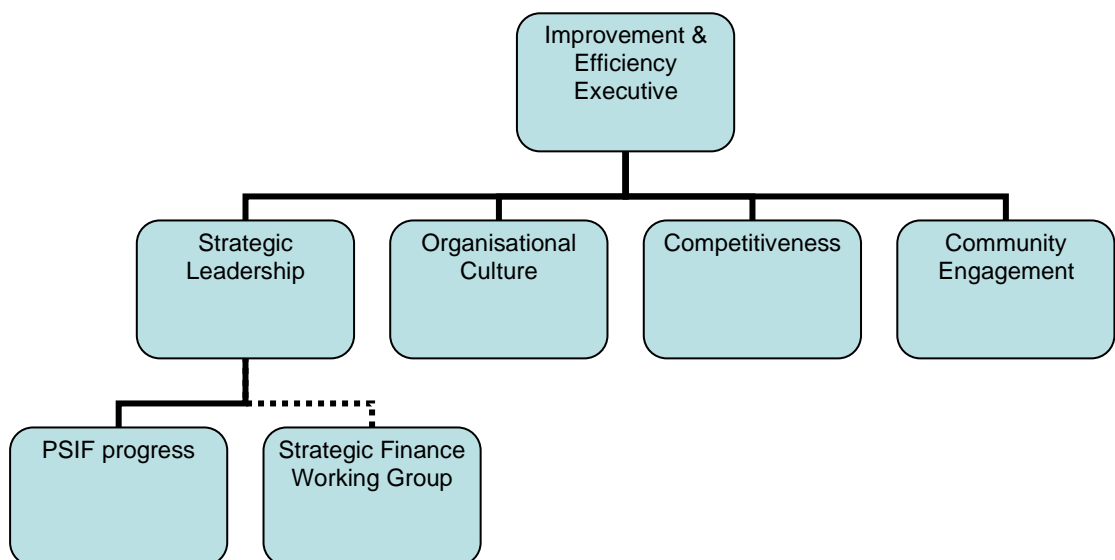
3.3 Problems with the structure

- 3.3.1** The I&EE has been meeting quarterly and receiving formal written reports from the five workstreams prior to each meeting. However in effect it has operated more like a formal Committee dealing mainly with the scrutiny of progress within each individual strand rather than also providing strategic direction and undertaking self-assessment. Lack of attendance and participation by members has made it difficult to drive forward a strong improvement framework, focus on future plans, and influence the pace of change.
- 3.3.2** Currently the remit of some of the workstreams is entirely focussed on the BV Improvement Plan – whilst others are performing other governance roles in addition to the BVIP. We now require a structure which allows a specific focus on the BVIP. This will mean that alternative arrangements need to be in place to ensure that corporate approaches to other key objectives are not lost.
- 3.3.3** Disbanding the five workstreams and mainstreaming the development and scrutiny of some improvement activities into departmental structures has merits in terms of efficiency. Key staff are operating across many groups, attending a large number of meetings, completing progress reports etc. There is a feeling that there are too many sub-groups, duplication of reporting and the widening of priorities has got to a stage where it is hindering delivery, rather than focusing on actually progressing delivery of the required improvement. Equally there is a risk in mainstreaming too much activity which could exclude ownership of the improvement plan across the organisation.

3.3.4 The improvement plan is currently driven through the CMT and a few lead officers, but this excludes a layer of senior management. New mechanisms are required keep all relevant officers up-to-date with developments. It is proposed that the Senior Managers Network should be used to do this, allied to involving the Heads of Service to collectively drive forward the improvement framework. In addition, the continued involvement of the Trade Unions will be important.

3.4 Proposals for delivering on the key priorities

3.4.1 It is crucial that the structure achieve demonstrable progress in the next 6 months. A number of options for improving the focus of the improvement activities have been proposed. These align with the 4 key priorities and the diagram below summarises the main proposed changes – with 4 key workstreams directly reporting to the I&EE.



3.5 Improving the role of the Improvement & Efficiency Executive Group

3.5.1 The I&EE is key within the improvement framework, and more emphasis and responsibility needs to be placed on this group to operate with a greater focus on future plans and direction. This will require increased involvement and participation of members, increased challenge, and a strategic or corporate focus. This group should include some element of reviewing progress to ensure plans are being achieved, however the key focus has to be on future plans, rather than focusing on operational issues. It should only receive progress reports on the four key strategic priorities and not get involved in detailed operational activities.

3.5.2 Thus it is proposed that the I&EE meetings should comprise Elected Members and the CMT to emphasise dialogue between them and allow focus on providing strategic leadership and self-assessment with the

possible utilisation of peer support. This focus on strategic leadership should include a particular responsibility for commenting and advising on the elements which it is proposed be included the strategic leadership workstream.

- 3.5.3** The I&EE has agreed to meet monthly and it is proposed that some of these meetings should be facilitated by either Cosla and/or the Improvement Service with the aim of further meeting the requirements to engage peer-support and to enhance the strategic challenge and scrutiny roles of the I&EE. Until now, attendance by Elected Members at the I&EE has been patchy. If the I&EE is to adopt a more focussed and challenging role, then it is essential that all members attend on a regular basis.

3.6 A focus on strategic leadership

- 3.6.1** A Strategic Leadership workstream group is required to oversee and coordinate progress on the key issue of improving leadership. Its prime aims would be to develop a synergistic approach to influencing relations with members, driving the strategic priorities and member involvement, and building the corporate approach to key initiatives. It would do this through refining decision-making processes, reviewing the progress of the 8 key strategic priorities, overseeing better financial planning, improving scrutiny arrangements and overseeing the implementation of the PSIF.
- 3.6.2** The group should review additional options for engaging external peer support. The group should also develop linkages with the strategic finance working group.
- 3.6.3** The Group could comprise the CMT and Heads of Service and should be led by the Chief Executive. This would also develop ownership and leadership of the improvement plan.
- 3.6.4** A development of this option is for the workstream to meet monthly as part of an enhanced CMT initiative to involve Heads of Service in the CMT agenda. A suggestion is that the core CMT could meet every two weeks but every 2nd meeting involve the Heads of Service.

3.7 Corporate approach to competitiveness and option appraisal

- 3.7.1** A new single focus for our corporate approach to competitiveness is required. A new workstream group is proposed with a remit focussing on overseeing the implementation of the corporate competitiveness action plan, improving activity-based costing, (which provides us with the unit cost of delivering elements of services), improving benchmarking (research, data collection, training and analysis). Importantly it should undertake peer-reviews of the individual service-led competitiveness and option appraisal studies. The latter should

also link into the on-going work on 'shared services' as this is a fundamental part of option appraisal. The Group should be led by an appropriate Head of Service supported by senior staff from the corporate policy unit and finance and have appropriate cross-departmental representation.

3.8 Improving organisational culture

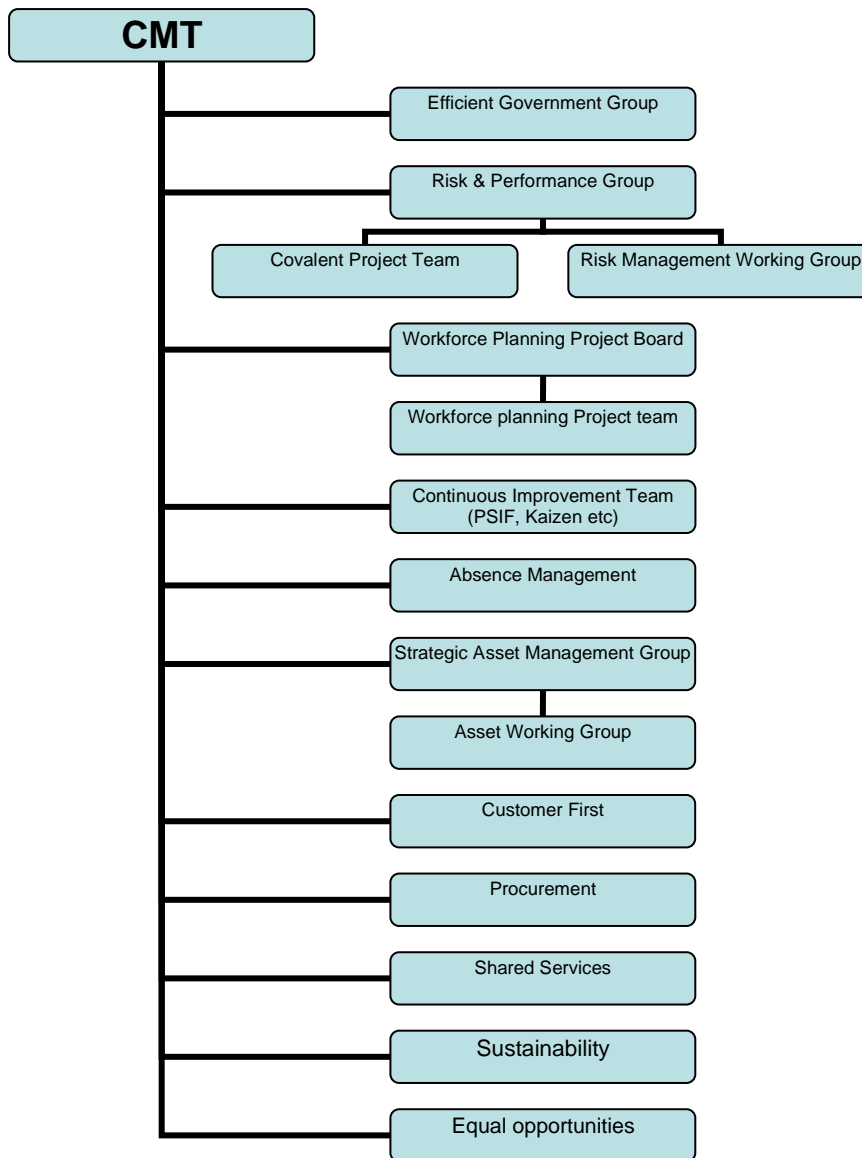
3.8.1 It is proposed to set-up a new, more focused workstream group to address overall corporate culture and wider organisational change; its work will stretch beyond taking forward actions from the culture web and the staff survey. Therefore it is proposed to disband the current Organisational Development (OD) Group and progress its other key action areas such as manager and member development through the regular mainstreamed activities of the Corporate Services Department. The OD group currently oversees community engagement activities but it is now proposed to set-up a new group to focus on community engagement (see below). The new Culture Group should be led by the Head of HR supported by the Manager of Organisational Development and have appropriate cross-departmental representation.

3.9 Integrated community engagement

3.9.1 A new Community Engagement workstream group is proposed involving key officers from across the Council and CPP under the leadership of the Head of Policy and Performance. This will bring together all the various engagement and consultation activities across the Council and the CPP. Capacity and resources have been identified as a particular issue in this area. This group will have a responsibility to ensure that future community engagement developments reflect the wider CPP and partner requirements – but in the first instance there will be a very immediate focus on actions to be delivered over the initial 4-6 month period – including investigation of a potential role for a Petitions Committee.

3.10 Proposals for other Improvement Activities

3.10.1 There are a number of other improvement activities which are progressing as part of the overall best value agenda and will form the core of the BV2 approach. The problem in the past has been that these have been included in the overall improvement plan. This has then led to a loss of focus on the key priorities. It is proposed that these activities continue, but that progress on these (as well as the key strategic actions) be managed by various mechanisms reporting to the CMT. These are summarised in the diagram below:



3.11 Managing Resources Group

3.11.1 It is proposed to disband the current Managing Resources Group and progress its key action areas such workforce planning and absence management through the regular mainstreamed activities of the Corporate Services Department and existing project teams/boards. Overseeing progress on financial planning will fall within the remit of the Strategic Leadership Group and progress on key project activities should be reported to the CMT regularly.

3.12 Continuous Improvement Group

3.12.1 It is proposed to change the focus, remit and governance arrangements of the current Continuous Improvement Group to focus on the project management of the implementation of PSIF and other 'quality' initiatives (Kaizen, process mapping, liP, Quality Awards etc).

It should specifically report progress on PSIF regularly to the Strategic Leadership workstream and overall progress to the CMT on a regular basis. The Group should oversee the strategic CMT-led PSIF self-evaluation. The results of this will inform the BV improvement plan.

3.13 Efficient Government Group

3.13.1 It is proposed to re-focus the Efficient Government Group to concentrate on measuring and delivering efficiencies. Attendance should be streamlined to just the key accountancy leads in each department. It should formally report overall progress to the CMT and Corporate & Efficient Governance Committee. Sub-Groups such as Customer First, Absence, Procurement and Asset Management should report progress directly to the CMT on a quarterly basis.

3.14 Risk & Performance Management Group

3.14.1 It is proposed to retain a Risk & Performance Group but un-link its reporting to the Improvement and Efficiency Executive. The members of the group feel there is sufficient merit for its continuing existence overseeing the work of the two project teams (the Risk Management Working Group and the Covalent Project Team). It should report progress to the CMT regularly along with any issues requiring a CMT decision.

3.15 Other Governance arrangements

3.15.1 It will be important that regular informal lead officers meetings are held prior to I&EE meetings to review overall progress and formulate/review the progress report before circulation to CMT/Elected Members. The CMT have agreed to review the BVIP on their regular agenda as standing item and to receive regular reports (monthly) on the progress of all actions in the BVIP.

3.15.2 Under these arrangements members of the CMT are not now required to attend and chair any of the workstream groups with the exception of the strategic leadership group – which should be led by the Chief Executive.

3.15.3 It has been agreed that the Senior Managers Network should be used pro-actively to communicate progress on improvement and efficiency activities.

3.15.4 The CMT have agreed to complete a strategic PSIF self-assessment as soon as practically possible which will inform the next generation of BV improvement Plans.

3.16 Key Actions

3.16.1 The BVIP should contain only the high-level actions directly related to the delivery of the 4 key priorities. Some of these actions will be overseen by the respective workstreams. Others are drawn from the ongoing work of the other projects.

3.16.2 The description and updating of actions, and development of milestones in the Covalent system by responsible officers needs to be improved to better demonstrate the progress and outcomes of improvement activities – along with some relevant outcome-based performance indicators.

3.16.3 An outline plan has been formulated – based on key actions already in the system as set-up by Departments in their various Departmental Plans. This will be developed once the 4 new workstreams have convened and considered the draft actions in more detail.

1. Strategic Leadership

- Progress the 8 key priorities and 2 discussion areas agreed by Council in June 2009
- Improve decision making and scrutiny including implementing the action plan for Strategic Leadership & Decision Making and improving the scrutiny process for poorly performing services
- Roll-out of PSIF including implementing PSIF in selected service areas and agree and implement a plan for strategic PSIF reviews
- Financial Planning, including developing 2-year financial plan

2. Competitiveness

- Improve benchmarking, including developing Activity Based Costing (the formulation of unit costs for defined activities to allow comparisons with other authorities and to track internal efficiencies)
- Assess competitiveness and options comprising overseeing a programme of competitiveness reviews of selected services and implementing a programme of options appraisals on selected services

3. Organisational Culture

- Culture Web and Staff survey comprising the implementation of the findings
- Improve attendance at work
- Improve approach to workforce planning

- Manager development including implementing a leadership development programme, developing a leadership and management development strategy and implementing a corporate development plan linked to business and individual need

4. Community Engagement

- Implement Community Engagement Action Plan
- Develop partner approach to community engagement
- Investigate potential for a Petitions Committee

3.17 Peer Support

3.17.1 One of the Accounts Commission's recommendations was that we engage appropriate peer support for officers and members. To this end the Chief Executives of both CoSLA and the Improvement Service have been contacted and specifically asked if they would attend future meetings of the I&EE and also provide other appropriate support and commentary on key reports. A verbal update on this will be provided at the Council meeting. In addition the Chief Executive has been in contact with other Chief Executives (West Lothian, South Lanarkshire and Renfrew). Elected Member views on other forms of peer support are welcome.

4. Personnel Issues

4.1 There are no personnel issues.

5. Financial Implications

5.1 There is currently a budget of £105,000 set-aside for funding the BV Improvement plan. To date £18,400 has been spent (mainly carry-over from 08/09 activities).

6. Risk Analysis

6.1 Strategic Risk SR012 (Poor reports from external sources) currently has a score of 9 (significant impact, very high likelihood of occurring). The target is to reduce the overall score to 4 by 30/9/09. The agreement by the Council of the new BVIP structure is a key component of meeting this risk reduction target.

7. Conclusions & Recommendations

7.1 **Members of the Council are asked to review, comment and agree on the key priorities, governance arrangements and options for peer support.**

7.2 Members are asked to agree that a more detailed Improvement Plan be submitted to Council at the end of October following the initial meetings of the revised workstreams.

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Date: 16 September 2009

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Background Reports: [Report to Council on Best Value Audit Report 26 August 2009](#)

Wards Affected: All