

REPORT TO: Cabinet

MEETING DATE: 9 May 2023

BY: Executive Director for Place

SUBJECT: Improvement to Excellence: East Lothian Council's Continuous Improvement Framework

1 PURPOSE

- 1.1 To seek Cabinet approval for the revised Improvement to Excellence Continuous Improvement Framework

2 RECOMMENDATIONS

Cabinet is asked to:

- 2.1 Approve the revised Improvement to Excellence: East Lothian Council's Continuous Improvement Framework (Appendix 1).

3 BACKGROUND

- 3.1 The Council adopted 'Improvement to Excellence' as its continuous improvement framework in March 2012. The framework was reviewed and revised on several occasions since then. The last review was carried out in 2018/19 to take account of the findings and recommendations of the Quality Scotland, Recognised for Excellence (R4E) assessment and Audit Scotland Best Value Assurance Review that were carried out in 2018. The current framework was approved by Cabinet in March 2019.
- 3.2 'Improvement to Excellence' has been revised again to take account of the Council's new priorities as set out in the 2022-2027 Council Plan, and the experience and practice of operating the framework over the last few years.
- 3.3 The Council's continuous improvement framework is based on five-inter-related elements:
- Setting clear outcomes and objectives – what we need to do to achieve our vision and ambitions

- Service improvement planning and management – setting out how we are going to deliver and manage our services, resources and improvement
- Performance management, monitoring and reporting – monitoring how we are doing so we know what we need to improve
- Self-evaluation – measuring how we are doing and what we need to improve
- External assessment and accreditation – how others see us and gaining external validation.

3.4 Each of these elements of the framework have been reviewed and a revised Improvement to Excellence framework has been prepared. (see Appendix 1)

3.5 The main alteration that has been made to the framework is the replacement of the How Good is our Service self-evaluation model by the adoption of the Public Service Improvement Framework (PSIF) model. PSIF which is based on the European Foundation of Quality Management (EFQM) is the self-evaluation framework used by most Scottish local authorities and is supported by the improvement Service. The PSIF self-evaluation has been piloted by the Council Management Team and will be rolled out to all services over a three year rolling programme.

3.6 The annual timetable of activities to support the continuous improvement framework has also been revised and has been detailed in Appendix 1 of 'Improvement to Excellence'.

4 POLICY IMPLICATIONS

4.1 The adoption of the revised Improvement to Excellence framework ensures that the Council continues to have a reliable and fit for purpose approach to ensuring the Best Value principles are well embedded.

5 EQUALITIES IMPACT ASSESSMENT

5.1 This report is not applicable to the well-being of equalities groups and an Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

6.1 Financial – none.

6.2 Personnel – none.

6.3 Other – none.

7 BACKGROUND PAPERS

7.1 None.

Appendix 1: Improvement to Excellence: East Lothian Council's Continuous Improvement Framework

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DATE	20 th April 2023

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IMPROVEMENT TO EXCELLENCE

East Lothian Council's Continuous Improvement Framework

*'An even more prosperous, safe and sustainable East Lothian,
with a dynamic and thriving economy, that enables our
people and communities to flourish.'*

(April 2023)



Improvement to Excellence East Lothian Council's Continuous Improvement Framework

Improvement to Excellence is the Continuous Improvement Framework through which East Lothian Council will continue to strive for best value and to move from improvement to excellence. The 2022-2027 Council Plan sets out the Council's strategic aims and priorities and provides the overall direction and focus for how the Council will deliver the outcomes which achieve progress in meeting our vision of: *An even more prosperous, safe and sustainable East Lothian, with a dynamic and thriving economy, that enable our people and communities to flourish.*

The Council has put delivery of excellent services at the heart of what we do. One of the key priorities in the Council Plan is *Growing our Capacity to deliver excellent services as effectively and efficiently as possible within our limited resources.* The financial challenges which the council faces over the medium term financial strategy period 2023/24 – 2027/28 are unprecedented and it faces a funding gap of up to £70m by the end of that period. Therefore it is crucial that we do everything possible to deliver our services as effectively and efficiently as possible. This means we need to continuously review what we do, how we do it and the impact we are having, then deploy the lessons learned to ensure we deliver improving services and real excellence – balancing quality of service with value for money.

The Council's commitment to continuous improvement is centred on the belief that we have to be self-aware of our strengths and areas for improvement, we need to be more proactive about identifying improvement opportunities and managing our performance, and be critically honest in our evaluation of our own performance. Inspections, audits and accreditation support the process by providing independent and external assessment of how we are doing and what can be improved.

All Council staff have a responsibility to strive to deliver excellent, efficient and effective services. However, managers throughout the organisation have a responsibility to lead and manage the improvement process and act as role models by adopting good management behaviours and practices¹:

¹ These points have been adapted from an Audit Commission report, '*Performance Breakthrough*'

- Translating the Council Plan and East Lothian Plan (our Local Outcome Improvement Plan) into something that is meaningful for their service via the One Council concept
- Putting into practice, the concept of Improvement to Excellence through this Continuous Improvement Framework
- Showing staff that performance matters and helping people perform to the best of their ability and being prepared to deal with situations where the service is under-performing.
- Ensuring all staff work together, striving to meet objectives through a common set of values and behaviours – ‘One Council’
- Understanding about whether things are improving, and if not, use joined up thinking to learn what could be done to improve
- Measuring what matters to service users and to staff to ensure effort and resources are invested in what is most important
- Taking action to ensure that change happens efficiently and effectively.

Achieving Best Value

Improvement to Excellence is designed to ensure the Council meets its legal requirement to provide Best Value. Best Value is about ensuring there is effective governance and management of resources, with a focus on continuous improvement to deliver the best services and outcomes for the public.

The **Local Government in Scotland Act 2003** introduced a statutory framework for Best Value for local authorities. The Best Value duties are set out in the Act. These include to make arrangements to secure continuous improvement in performance (while maintaining an appropriate balance between quality and cost); and, in making those arrangements and securing that balance; to have regard to economy, efficiency, effectiveness. Duties also include making arrangements for reporting the outcomes of performance of services to the public. Four questions are key to Best Value:



Statutory Performance Reporting – Accounts Commission Direction 2021

The Accounts Commission have the statutory power to determine the performance information that must be published by local authorities in order to provide opportunities for benchmarking and scrutiny. The Accounts Commission Direction 2021 on Public Performance Reporting came into force in April 2022 and includes two parts.

1: Improving local services and local outcomes.

- Performance reporting should include performance in improving local public services, both provided by itself and in conjunction with its partners and communities and progress against the desired outcomes agreed with its partners and communities.

2: Demonstrating Best Value

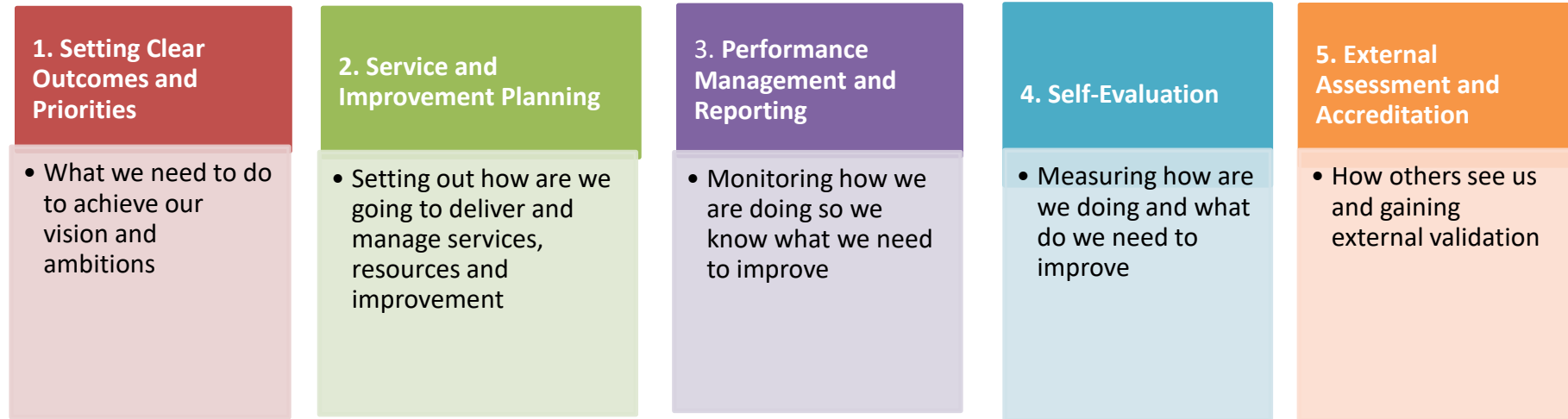
- The 2nd part focuses on self-assessments and how the Council is performing against its duty of Best Value, including self-assessments and service review activity, and how it has responded to this assessment. This also includes Audit assessments (including those in the annual audit) of its performance against its Best Value duty, and how it has responded to these assessments and assessments from other scrutiny and inspection bodies.

The Improvement to Excellence Process

Performance management and continuous improvement is about improving outcomes for the people of East Lothian by ensuring that the Council works as effectively and efficiently as possible. The performance improvement cycle involves a continuous process of planning for improvement. Starting with setting objectives (Plan), delivering services and achieving outcomes (Deliver), monitoring performance and reporting progress (Monitor) and reviewing and learning what worked well and identifying areas for improvement (Review).

Appendix 1 sets out the annual timetable of activities that contribute to continuous improvement and Appendix 2 lists the key policies and documents that support the framework.

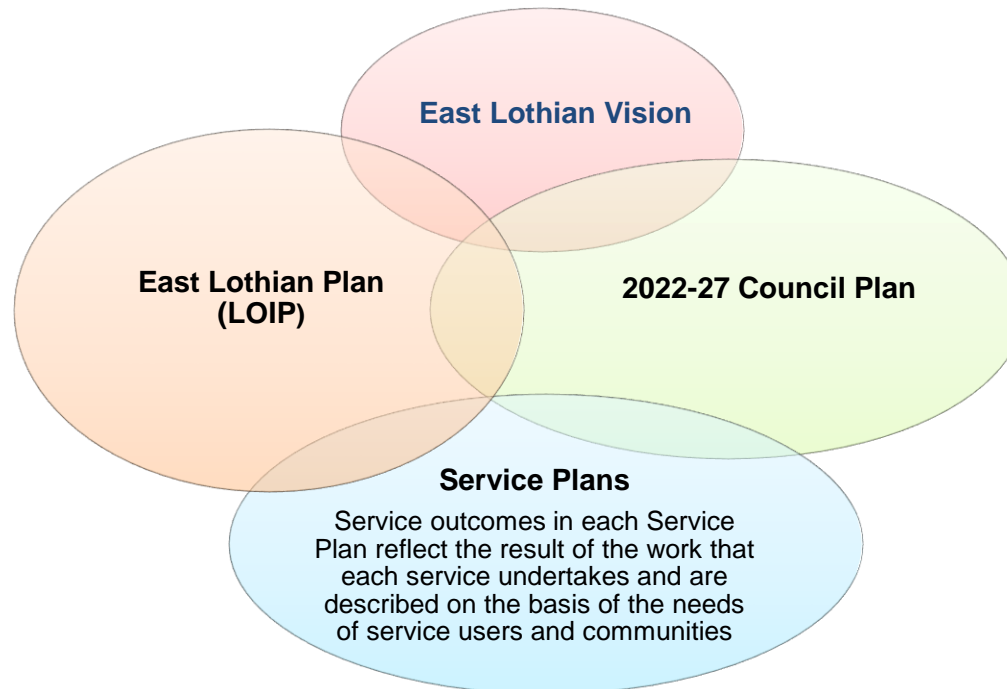
The Improvement to Excellence Framework has five essential components.



1. Setting Clear Outcomes and Priorities

The Council and East Lothian Partnership² have adopted a clear vision of **“An even more prosperous, safe and sustainable East Lothian, with a dynamic and thriving economy, that enables our people and communities to flourish.”** The Council Plan and East Lothian Plan (Local Outcome Improvement Plan) set out the key outcomes and priorities that the Council and its partners have set in order to achieve that vision. The 2022-27 Council Plan has seven objectives – Recovery and Renewal; Reduce Poverty; Respond to the Climate Emergency; Grow our Economy; Grow our People; Grow our Communities; and, Grow our Capacity. The East Lothian Plan has three themes – Prosperous, Fair and Community Minded.

Each council service will develop their own Service Plan, setting out the ‘Service Outcomes’ that reflect how the service will contribute to achieving the outcomes and priorities of the Council Plan and East Lothian Plan. Appendix 2 details the main documents and policies relating to the key elements of the continuous improvement framework.



² The East Lothian Partnership is our Community Planning Partnership which includes statutory partners – the Council, NHS Lothian, Police Scotland, Scottish Fire and Rescue Service and Scottish Enterprise – and a wide range of other partners including community organisations

2. Service and Improvement Planning

Service and improvement planning principally is carried out at a service and business unit level through the Service Planning process and at a Council wide level through strategic planning of Finance, Assets, Workforce and Risk. These plans set out the approaches the Council and services take to achieve their objectives, outcomes and priorities.

Service Planning

Service Plans provide a link to the priorities and outcomes set out in the Council Plan and the East Lothian Plan, any relevant legislation that is specific to the Service and to the results of assessment and review for improvement identified through self-evaluation and performance monitoring.

The Service Plan provides a specific representation of what is involved in the delivery of outcomes and priorities, recognising the resource implications, actions, and risks concerned. Service Plans translate 'what we intend to do' into 'how we will achieve it'.

Service Plans should be three or four year plans. They should be live documents that are reviewed and revised as required (as a minimum, annually) to incorporate and take account of any budget changes that will impact on the service, the environment in which these services operate, and any new improvement actions identified by the self-evaluation process, based on reviews of performance and employee engagement.

Service Plans will:

- identify the challenges each service is facing
- detail the relevant Council priorities and outcomes to which the service will contribute
- define service specific outcomes which will also reflect the Council's priorities
- summarise strengths and areas for improvement arising from self-evaluation
- outline the actions required to achieve those outcomes and improvement.

Service Plans will contain the outcome indicators for each Service. The action and improvement plan should contribute to the achievement of the outcome indicators. Any indicators or measures used should have a clear definition, to establish what is being measured and how. Indicators should be based on **robust and reliable data**, with **targets**, and, where relevant, appropriate **segmentation, trends** and **benchmarks**.

Service Plans should also identify the main risks that might prevent the Service from achieving its ambitions.

Some business units or teams may have their own plans. These will be linked to the Service Plan but serve a slightly different purpose. Unit or Team plans provide a more functional link for staff and managers to refer to. For most staff the Unit or Team Plan would answer the question: 'What am I meant to be doing?' These plans will be the unit or team's work plan for the year. Unit or Team plans reflect the diverse nature of the way in which the Council's services are structured.

Financial Planning and Management

The financial objective of the Council is to provide the services that are required to meet the Council's objectives within the budget set by the Council and with Council Tax and charges set at appropriate levels to meet its objectives. Underpinning this objective are two key principles of public finance that the Council must observe – that there should be no taxation in advance of need and that there should be fairness in the tax burden between generations and taxpayers. The Council plans for the medium term through its Financial Strategy statement and its three-year revenue and five-year capital planning processes.

Budget review and development is not a once-a-year process. External circumstances are continuously changing and performance compared against budget will be under regular review with formal reports to the Council or Cabinet following the end of each quarter and a year-end report to the Council following submission of the draft accounts for audit. In addition, monthly and quarterly performance reports are issued to managers with budget responsibility. Quarterly financial statements are reported to the Council with risk ratings associated with actual or possible over or under spends on budget allocations. The overall finances of the Council are subject to detailed annual independent audit review.

Workforce Plan 2023 - 2027

The Workforce Plan 2023 - 2027 aims to support the Council to achieve the vision and ambitions set out in the Council Plan and address the challenges it faces by providing a coherent and consistent approach to ensuring a skilled, motivated, flexible and well managed workforce. The Workforce Plan's vision is that: *East Lothian Council will be an employer of choice and our staff will:*

- ❖ *have the skills, knowledge, experience and motivation to deliver the highest quality services*
- ❖ *be flexible and adaptable around our changing organisational needs*
- ❖ *take personal responsibility and ownership to be effective in their jobs and take every opportunity to be as productive as possible to deliver their agreed work priorities*
- ❖ *be resilient to change and instigate, as well as adapt to, changes in service delivery*
- ❖ *be satisfied and engaged and feel safe at work*

- ❖ *work in partnership across all services and with the Council's partners and communities to effectively deliver essential services and outcomes*
- ❖ *be customer focused and deliver person centred, trauma informed and inclusive services*
- ❖ *feel valued and recognised for the contribution they make to achieving the Council's vision and objectives*
- ❖ *be supported, empowered and trusted.*

The plan sets out 32 actions to deliver the workforce vision based around three themes:

- Sustain a skilled, flexible, high performing and motivated workforce
- Support and initiate transformational change
- Build and sustain leadership and management capacity.

Personal Review and Development (PRD) provides an opportunity for all staff to review how they contribute to the Council's vision and the Council Plan. It provides the link between the staff and the improvement framework by identifying whether and how individuals can be supported to help contribute to the achievement of the Council's objectives.

Risk Management

Risk management is the process of identifying, analysing, treating and monitoring risks which face the organisation. Risks are recorded within the Council Risk Register, Service Risk Registers or project risk registers.

Corporate risks represent those risks with the potential to impact on the 'corporate body', East Lothian Council, in achieving its stated policies and corporate objectives and those that require strategic leadership (for example the East Lothian Plan). The Council Management Team has responsibility for the Council Risk Register.

Service risks represent the potential for impact on 'individual services' in relation to service delivery, or the experience of those who work within the services, i.e. staff, partners, contractors and volunteers, or the general public and clients in receipt of the services provided. Service risks may be included on the corporate risk register where a risk impacts on multiple services or requires significant central resources in the development of risk control measures. Heads of Service have responsibility for Service Risk Registers.

The Council Risk Register and Service Risk Registers are reviewed annually to ascertain progress and to check for contextual changes affecting the risks. Services are also encouraged to be proactive in identifying new or potential risks throughout the year.

3. Performance Management, Monitoring and Reporting

Performance Indicators

Accurate, high quality, timely and comprehensive performance data is essential to the effectiveness of the Council's Improvement Framework. Performance data is generated for a range of purposes which can be shown as a pyramid.

- ✚ Services collect a large number of indicators that are used to monitor delivery of their service plans and for management purposes or to meet the requirements to report on national performance frameworks and / or Strategic Plan indicators.
- ✚ The Strategic Performance Indicators (or Key Performance Indicators) are the set of indicators that show how Council services are performing across a range of factors such as cost, performance and satisfaction.
- ✚ The 50 Council Plan Indicators is a smaller set of indicators that monitor progress in achieving the Council Plan's nine strategic goals and key commitments
- ✚ The Top 10 show at a glance how the Council is performing in achieving the Council Plan.



The range of performance data collected should be regularly reviewed to ensure that data collected is useful in terms of being able to measure performance against key priorities and outcomes.

It is important that data collected provides the ability to measure the quality of the service provided and customer/ client satisfaction with the service provided, not just the volume of service delivery – outcomes and not just inputs and outputs.

The following table outlines some considerations and expectations around Results.

Relevance & Usability	
Scope & Relevance	A coherent set of results, including key results, are identified that demonstrate the performance of the organisation in terms of its strategy, objectives and the needs and expectations of the relevant stakeholders.
Integrity	Results are timely, reliable & accurate.
Segmentation	Results are appropriately segmented to provide meaningful insights.
Performance	
Trends	Positive trends or sustained good performance over the last 3 years.
Targets	Relevant targets are set and consistently achieved for the key results, in line with strategic goals.
Comparisons	Relevant external comparisons are made are favourable for the key results, in line with the strategic goals.
Confidence	There is confidence that performance levels will be sustained into the future, based on the established cause & effect relationships.

Consideration should be given to how the Council's performance can be benchmarked against comparator authorities or organisations (see below).

Monitoring and Reporting

The reporting of performance data is required in a number of respects. The regular reporting of accurate and clear information (and effective scrutiny of that information) helps lead to good decision making and improved performance. Managers can use performance data to identify where performance is below expectations and take remedial action to improve performance. Reviewing targets in the light of experience – setting higher targets where performance is above expectations – can help to drive continuous improvement.

The reporting of performance to elected members, the public and other stakeholders helps to ensure accountability. All performance indicators are reported via the Council's performance management software. This can also be used to report and monitor actions from Service and other Plans and Risk. Performance Indicators, Service Plan Actions and Risks can all be shown on the Council's website. Performance is reported in several different ways to satisfy the needs of different stakeholders, including senior managers, elected members, the public and auditors.

Scrutiny by Elected Members

Scrutiny of Council and service performance is conducted by the Policy & Performance Review (PPR) Committee and the Audit & Governance Committee. Scrutiny of the Police and Fire & Rescue Service is conducted by the Police, Fire and Community Safety Scrutiny Committee. The remit and powers of the scrutiny committees are set out in detail in the Council's Standing Orders and Scheme of Administration.

The Committees each plan their work programme in advance in order to balance regular items with scrutiny arising from performance monitoring. The Committees are able to recommend changes in policy or practice to Council or Cabinet, where appropriate. Members of the PPR Committee are provided with a briefing on each Quarter's Performance Indicators and they can seek further information or explanation of any issues about poorly performing indicators at the subsequent Committee meeting.

Role of Council Management Team

The Council Management Team (CMT) considers reports, including quarterly and annual Performance Indicator reports, Corporate and Service Risk Registers and quarterly financial reports, which highlight any significant issues in relation to performance, risk and finances. In considering these reports CMT will take action in response to poor performance or increased risk in any area to ensure that the Council maintains its improvement momentum.

Benchmarking

Benchmarking is the process of comparing performance, and approaches against other local authorities (or other relevant organisations) to identify and share good practice and help identify where improvements could be made. Benchmarking usually involves a framework of comparable indicators underpinned by groups or forums that allow participants to share their experiences and learn from one another. All Council services are encouraged to benchmark their performance. Some of the main benchmarking frameworks for local government in Scotland are described below.

These frameworks allow for the continual use of benchmarking by providing a set of consistent measures and mechanisms for identifying and sharing best practice. However, these frameworks will not cover all aspects of the Council's work. Even where a framework cannot be used, services might be able to benchmark their performance or processes informally simply by contacting other local authorities who may be willing to share information.

Local Government Benchmarking Framework (LGBF)

Every council in Scotland participates in the LGBF, which provides a common set of indicators allowing councils to compare their performance with one another. Several 'family groups' have been developed to ensure that comparisons are made between councils that are similar in terms of the type of population that they serve (e.g. relative deprivation and affluence) and the type of area in which they serve them (e.g. urban, suburban, rural). The family groups allow participants to identify and share good practice between councils.

Scottish Housing Network (SHN)

The SHBVN facilitates data collection, analysis and reporting of cost and performance information for housing services. Practice Exchange Forums are also provided to allow participants to examine key issues highlighted by the benchmarking results.

Association for Public Service Excellence (APSE)

APSE's Performance Networks cover a wide range of services, including Roads, Environmental Health, Building Cleaning, Street Cleansing, and Refuse Collection. The Networks allow council across the UK to compare their performance and share best practice.

4. Self-Evaluation/ Self-Assessment

The development of robust self-evaluation is a key component of the continuous improvement framework. Self-awareness of strengths and areas for improvement, and taking action to improve is essential if the Council is to move from improvement to excellence. Self-assessment is also a key requirement in achieving Best Value. The Council has adopted and is rolling out **The Public Sector Improvement Framework (PSIF)** as its self-assessment framework from CMT to service level. The PSIF approach supports continuous improvement and self-scrutiny of performance. It provides a framework of statements to challenge existing performance through a structured process. The Framework provides a consistent and evidence-based approach to identify what we are doing well and those areas that need improvement.

PSIF consists of five key areas and a results section based on customer, staff, community and key performance information. Feedback is gathered during the first stage of the assessment via a survey. This allows for discussion during consensus session and to identify areas of improvement.

Through collating and evaluating evidence and assessing performance using a framework based on PSIF, or How Good Is Our Service provides the basis for services to identify areas for improvement. Different self-evaluation frameworks may be used where a specific model has been developed for that service area such as 'How Good is Our School?'. These self-assessment frameworks can also be used to complement self-evaluation by assisting services to review the effectiveness of their processes and be used as evidence towards future PSIF assessments. Any improvement actions that need to be undertaken as a result of the self-evaluation should be included in the relevant Service Plan.

THE PSIF FRAMEWORK



5. External Assessment and Accreditation

External Audits and Inspections

The Council is subject to various external inspections and audits carried out by national inspection agencies including Audit Scotland, the Care Inspectorate, Education Scotland and the Scottish Housing Regulator.

The results of this external scrutiny and inspection provide actions which the external auditors/ inspectors believe are required to improve performance. These improvement / action points should be reflected in Service Plans and the Council Improvement Plan.

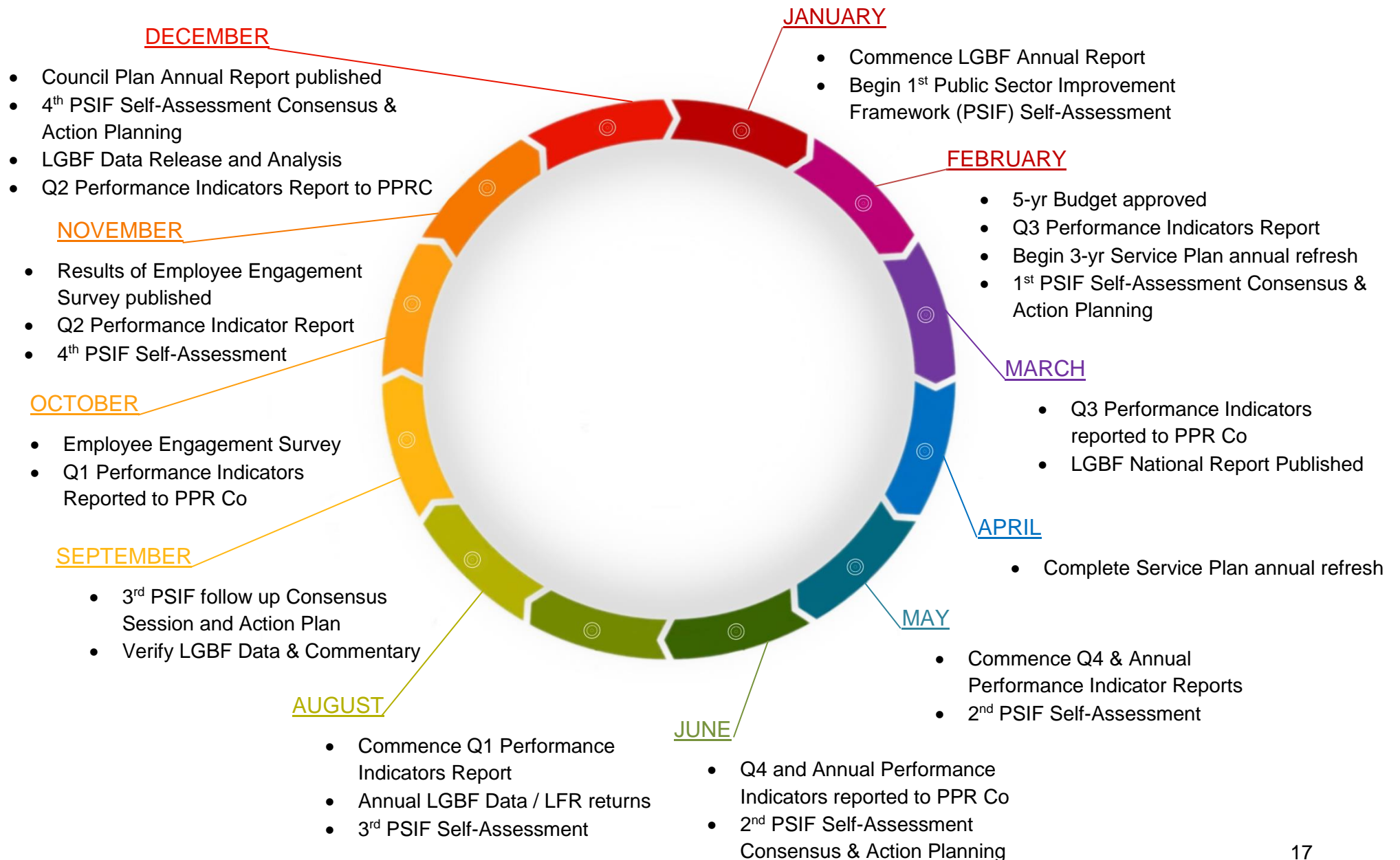
The PSIF self-evaluation outlined in chapter 4 is intended to meet the requirements of external inspections carried out by regulators and inspections bodies. Many of the questions and statements addressed in PSIF can be matched to questions and statements covered by external audits and inspections so that duplication in completing various evaluations and submissions can be minimised.

Accreditation

Accreditation and awards from peer bodies and accreditation bodies can be a useful way to assess whether the Council as a whole, or particular services, are performing to the highest standards.

The Council achieved a Silver Investor in People (IIP) award (March 2017) and a Gold Investor in Young People (IIYP) award (November 2017) and was awarded a 4-Star Recognised for Excellence (R4E) accreditation by Quality Scotland (June 2018).

Appendix 1: East Lothian Council's Annual Timetable of Continuous Improvement



Appendix 2: Documents and Policies supporting Continuous Improvement

The following are the main documents and policies relating to the key elements of the Improvement Framework. Policies and guidance regarding each of the elements of the Improvement Framework are available on the Council's intranet.

Outcomes	Self-evaluation	Service and Improvement Planning and Management				Performance Reporting	External Assessment
		Service Planning	Resource Management	Workforce Management	Risk Management		
2022-2027 Council Plan	PSIF Self-evaluation Guidance	Service Planning Guidance	Financial Strategy	2023-2027 Workforce Plan	Risk Management Strategy	Reporting of Key Performance Indicators	Services users, customer and citizens feedback
East Lothian Plan 2017-2027 (Local Outcome Improvement Plan)	Corporate Governance Self-evaluation framework	Service Plans	Asset Management Strategy	Service Review Process	Council Risk Register	Performance Data Quality Policy	Auditors reports
Service Plans	Employee Engagement Survey		Capital Strategy	Performance Review and Development	Service Risk Registers		Best Value Assessment
Outcomes and Performance Management Guidance				Equalities in Employment Monitoring			Inspections from national agencies Scotland