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**PERFORMANCE MANAGEMENT**

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**1 INTRODUCTION**

- 1.1 This report outlines the progress made to date by Argyll and Bute Council in using the Pyramid performance management system to embed performance management as part of the Council's overall improvement agenda.

**2 RECOMMENDATION**

- 2.1 Audit Committee members note the positive progress being made in the Council's approach to performance management.

**3 DETAIL**

- 3.1 The Council's Pyramid performance management system has been in place since 2007. Comprising detailed performance information across all Council services, the system's use as a performance management tool has been developed significantly over the past year.
- 3.2 Identified in the Council's Improvement Plan as a principle tool required to enable improved performance management, the development of Council, Departmental and Service scorecards has been a key element of the Council's performance management development over the past year. The scorecards are an integral part of the Planning and Performance Management Framework, highlighting progress made on corporate, departmental and service plans. The Council Scorecard reflects progress on the Corporate Plan, Departmental Scorecards report progress on Key Performance Indicators identified by Directors and Service scorecards include Key Performance Indicators agreed between Heads of Service and their Directors. All scorecards were developed and implemented in line with the target timescale identified in the Improvement Plan. Team scorecards are currently being prepared and will identify performance targets for individual teams within services.
- 3.3 All scorecards contain performance information in the form of:
- Outcomes
  - Resources

- Improvements

The Outcomes section contains key performance indicators, the outcome of customer satisfaction surveys and progress on approved plans.

The Resources section contains performance on people and financial resources. This includes sickness absence and PDRs as well as progress on meeting financial targets.

The Improvement section contains information about performance in relation to any reviews or external scrutiny carried out on the service.

Finally a section on risk allows the management of risk to be captured on the scorecard.

- 3.4 Performance through the scorecards is managed at a senior level on a quarterly basis. Departmental scorecards are presented by each Director to the Chief Executive for discussion. They are then presented for scrutiny to the Council's Executive Committee, also quarterly. This allows the Chief Executive to scrutinise performance management by Directors and the elected members to scrutinise performance by senior management. All elected members also have individual access to the performance management system.
- 3.5 Directors hold regular meetings with Heads of Service to assess performance, and an annual performance review is undertaken at the end of June each year. This enables Directors to scrutinise the previous year's performance by Heads of Service, and also to link this to the annual PDR process.
- 3.6 The Council has also developed a series of scorecards for the management of performance in the Community Planning Partnership. The Community Planning Scorecard reflects the outcomes agreed by the partnership in the Argyll and Bute single outcome agreement. Regular performance updates are made to the Community Planning Management Committee and the Full Partnership. Area Scorecards and Thematic Group scorecards which contain performance information on the different elements of the Partnership have also been prepared. Provision is being made to enable partners to access the Community Planning element of the Pyramid system to allow easy access and scrutiny of performance.
- 3.6 Internal audit have recently reviewed the Council's performance management system, with recommendations included in the report at Agenda Item 15. The realignment of the service and Council scorecards to reflect the changed structure following modernisation and also the content of the Corporate Plan have been actioned. The review of performance information in the Pyramid system is currently underway, with the recently appointed Heads of service taking the opportunity to focus performance information clearly on their new service.

3.7 The performance management team communicate regularly with the Pyramid Users' Group, which comprises team members across services who are directly involved in ensuring that the information in the Pyramid system is relevant and up to date.

3.8 The regular use of scorecards at a strategic and service level, aligned with the development of team scorecards is having a significant positive impact on the culture of performance across the organisation, with managers actively utilising the system to identify areas of underperformance and enabling them to take action to address it and monitor improvement.

#### **4 CONCLUSION**

4.1 The implementation of scorecards across the Council has significantly changed the approach taken to performance management. Senior members and officers regularly scrutinise performance across the organisation, and managers are actively using the system to scrutinise and improve performance. The full implementation of team plans will embed this process further.

#### **5 IMPLICATIONS**

5.1 Policy	None
Financial	Effective performance management enables the council to make more efficient use of financial resources.
Personnel	None
Legal	None
Equal Opportunities	None

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