



417th meeting of the Accounts Commission for Scotland
Thursday 11 June 2015, 10.15am
in the offices of Audit Scotland, 18 George Street, Edinburgh

Agenda

1. **Apologies for absence.**
2. **Declarations of interest.**
3. **Decisions on taking business in private:** The Commission will consider whether to take items 11 to 14 in private (* see note).
4. **Minutes of meeting of 14 May 2015.**
5. **Update report by the Secretary to the Accounts Commission:** The Commission will consider a report by the Secretary to the Commission on significant recent activity in relation to local government.
6. **Update report by the Controller of Audit:** The Commission will consider a verbal report by the Controller of Audit providing an update on his recent activity.
7. **Statutory performance information 2013/14: an evaluation of councils' responses to the 2012 direction:** The Commission will consider a report by the Director of Performance Audit and Best Value.
8. **Statutory performance information - strategy:** The Commission will consider a report by the Director of Performance Audit and Best Value.
9. **Housing and council tax benefits administration audit activity – annual report:** The Commission will consider a report by the Assistant Auditor General.
10. **Audit of Best Value: Aberdeen City Council:** The Commission will consider a report by the Controller of Audit.

The following items are proposed to be considered in private:

11. **Audit of Best Value: Aberdeen City Council:** The Commission will consider the action it wishes to take.
12. **Edinburgh trams public inquiry:** The Commission will consider a report by the Director of Performance Audit and Best Value.
13. **Draft Commission annual report 2015:** The Commission will consider a report by the Secretary to the Commission.
14. **Commission business matters:** The Commission will discuss matters of interest.

* It is proposed that items 11 to 14 be considered in private because:

- Item 11 requires the Commission to consider actions in relation to a report by the Controller of Audit. The Commission is then obliged by statute to inform the council in question of its decision. The Commission does this before making this decision public.
- Item 12 proposes a draft response by the Commission to the Edinburgh trams public inquiry, which the Commission is to consider before making the response public.
- Item 13 proposes a draft annual report for the Commission, which the Commission is to consider before publishing the report.
- Item 14 may be required if there are any confidential matters that require to be discussed outwith the public domain. The Chair will inform the meeting in public at the start of the meeting if this item is required, and what it covers.

The following papers are enclosed for this meeting:

Agenda Item	Paper number
Agenda Item 4: Minutes of meeting of the Commission of 14 May 2015	AC.2015.6.1
Agenda Item 5: Report by Secretary to the Commission	AC.2015.6.2
Agenda Item 7: Report by Director of Performance Audit and Best Value	AC.2015.6.3
Agenda Item 8: Report by Director of Performance Audit and Best Value	AC.2015.6.4
Agenda Item 9: Report by Assistant Auditor General	AC.2015.6.5
Agenda Item 10: Report by Controller of Audit	AC.2015.6.6
Agenda Item 12: Report by Director of Performance Audit and Best Value	AC.2015.6.7
Agenda Item 13: Report by Secretary to the Commission	AC.2015.6.8

ACCOUNTS COMMISSION

MEETING 11 JUNE 2015

MINUTES OF PREVIOUS MEETING

Minutes of the meeting of the Accounts Commission
held in the offices of Audit Scotland at
18 George Street, Edinburgh, on
Thursday, 15 May 2015, at 10.15am

PRESENT: Douglas Sinclair (Chair)
Ronnie Hinds (Deputy Chair)
Alan Campbell
Sandy Cumming
Colin Duncan
Tim McKay
Christine May
Stephen Moore
Linda Pollock
Colin Peebles
Graham Sharp
Pauline Weetman

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
Fraser McKinlay, Controller of Audit and Director of Performance Audit
and Best Value (PABV)
Elaine Boyd, Senior Audit Manager, Audit Services [Item 12]
Russell Frith, Assistant Auditor General [Item 11]
David Henning, Information Services Manager [Item 15]
Mark McCabe, Senior Manager, PABV [Item 12]
Dave McConnell, Assistant Director, Audit Services [Item 12]
Craig McKinlay, Data Manager, PABV [Item 15]
Gill Miller, Audit Manager, PABV [Item 9]
Ronnie Nicol, Assistant Director, PABV [Item 12]
Mark Roberts, Senior Manager, PABV [Item 14]
Philippa Salvesen, Corporate Projects Officer, Corporate Services –
Information Services [Item 15]

Item No Subject

1. Apologies for absence
2. Declarations of interest
3. Decisions on taking business in private
4. Minutes of meeting of 16 April 2015
5. Minutes of meeting of Financial Audit and Assurance Committee of 30 April 2015
6. Minutes of meeting of Performance Audit Committee of 30 April 2015
7. Update report by the Secretary to the Commission
8. Update report by the Controller of Audit
9. Council funding gaps, 2015/16 to 2017/18
10. Freedom of Information Publication Scheme
11. Audit appointment 2014/15: Glasgow and Clyde Valley Cabinet Joint Committee
12. Audit of Best Value: East Dunbartonshire Council
13. Audit of Best Value: East Dunbartonshire Council [*in private*]
14. Draft response to Scottish Government consultation: draft Climate Change (Reporting on Climate Change Duties (Scotland) Order 2015
15. Commission extranet [*in private*]
16. Commission business matters [*in private*]

1. Apologies for absence

It was noted that no apologies for absence had been received.

2. Declarations of interest

The following declarations of interest were made:

- Christine May, in item 14, as Vice-Chair of Fife Cultural Trust.
- Graham Sharp, in items 12 and 13, as a resident of East Dunbartonshire.

3. Decisions on taking business in private

It was agreed that items 13 to 16 should be taken in private as they contained draft reports and confidential issues.

4. Minutes of meeting of 16 April 2015

The minutes of the meeting of 16 April 2015 were submitted and approved.

5. Minutes of meeting of Financial Audit and Assurance Committee of 30 April 2015

The minutes of the meeting of the Financial Audit and Assurance Committee of 30 April 2015 were submitted and approved.

In relation to item 5 (Local government overview: approach), it was agreed that thought be given to ensuring the dissemination of work on financial ratios in relation to local government accounts.

Action: Director of Performance Audit and Best Value

6. Minutes of meeting of Performance Audit Committee of 30 April 2015

The minutes of the meeting of the Performance Audit Committee of 30 April 2015 were submitted and approved.

7. Update report by the Secretary to the Accounts Commission

The Commission considered a report by the Secretary to the Commission providing an update on significant recent activity relating to local government and issues of relevance or interest across the wider public sector.

During discussion the Commission:

- Noted advice from the Secretary that the Edinburgh Tram Inquiry had issued a call for evidence. At its meeting on 25 September 2014, the Commission had agreed that a summary of the possible scope of appropriate audit work in relation to the trams project be produced and submitted to the public inquiry as appropriate; and noted that, notwithstanding this, the public inquiry may issue a formal call for evidence and accordingly to await further advice in this regard.

Following discussion, it was agreed that the proposed submission to the inquiry, based on the above, be submitted to the Commission.

Action: Secretary

- Noted advice from the Secretary that he had arranged for Grant Thornton, auditor to Manchester City Council and surrounding district authorities, to brief the Commission at a forthcoming meeting on progress with the Manchester Combined Authority.
- In relation to Item 4 (Performance audit: School education), noted advice from the Director of Performance Audit and Best Value that he would report more fully to the Commission on the impact of the report.
- In relation to paragraph 7 (ICAS memorandum of understanding with CIPFA), to note advice from the Director of Performance Audit and Best Value that the Auditor General had recently met with the chief executives of both organisations.
- In relation to paragraph 11 (Local Government and Regeneration Committee: evidence session with SOLACE and Improvement Service, 25 March), agreed that discussion take place with SOLACE and the Improvement Service around assurance in relation to the reliability of data.

Action: Secretary

Thereafter the Commission agreed to note the report.

8. Update report by the Controller of Audit

The Controller of Audit provided a verbal update on his recent activity including meetings and discussions with stakeholders.

9. Council funding gaps, 2015/16 to 2017.18

The Commission considered a report by the Director of Performance Audit and Best Value providing details of the budget shortfalls and funding gaps that councils are projecting over the next three years.

During discussion, the Commission agreed that:

- The Director engage with CIPFA Directors of Finance to discuss issues arising from the report, including seeking their view about how councils make such information more accessible and understandable to citizens.

- Thereafter, local auditors engage with councils to the same end.
- Thereafter, the Director report on progress to the Financial Audit and Assurance Committee.
- The Director report back to the Commission on the implications of the report on issues around 'going concern'.

Actions: Director of Performance Audit and Best Value

Thereafter the Commission agreed to note the report.

10. Freedom of Information Publication Scheme

The Commission considered a report by the Secretary to the Commission seeking approval of a revised Freedom of Information publication scheme and its submission to the Scottish Information Commissioner for approval for the period 31 May 2015 to 31 May 2019.

During discussion, it was agreed:

- That members' expenses be included in the scheme.
- Agendas for future meetings of the Commission set out the reasons why any item of business is being proposed to be considered in private.

Actions: Secretary

Thereafter the Commission agreed to approve the publication scheme and its submission to the Scottish Information Commissioner.

Action: Secretary

11. Audit appointment 2014/15: Clyde Valley Cabinet Joint Committee

The Commission considered a report by the Assistant Auditor General seeking approval for the appointment of Fiona Kordiak, Director of Audit Services, as the appointed auditor for Glasgow and Clyde Valley Cabinet Joint Committee.

Following discussion, the Commission agreed to the appointment for 2014/15 and 2015/16 financial years.

12. Audit of Best Value: East Dunbartonshire Council

The Commission considered a report by the Secretary to the Commission seeking its consideration of the Controller of Audit's report of the audit of Best Value in East Dunbartonshire Council and seeking direction on how to proceed.

During consideration, the Commission agreed:

- To note advice from the Secretary that in paragraph 4 of his covering report, "February 2013" should read "February 2014".
- To consider in private how to proceed.

13. Audit of Best Value: East Dunbartonshire Council *[in private]*

The Commission agreed that this item be held in private to allow it to consider how to proceed in relation to a report by the Controller of Audit.

The Commission discussed how to proceed in relation to the statutory report by the Controller of Audit on the audit of Best Value in East Dunbartonshire Council.

Following discussion, the Commission agreed:

- To make findings.
- As part of those findings, to require the Controller of Audit to report again within 18 months.
- To invite elected representatives of the council to a meeting with the Commission to discuss its findings.

Actions: Secretary

14. Draft response to Scottish Government consultation: draft Climate change (Reporting on Climate Change Duties) (Scotland) Order 2015 [in private]

The Commission agreed that this item be held in private in order to consider a draft response to a consultation paper.

The Commission considered a report by the Secretary to the Commission proposing a draft response to the Scottish Government's consultation on the proposed introduction of mandatory reporting against climate change duties across the public sector.

During discussion, the Commission agreed:

- The terms of a draft response, made jointly with the Auditor General and Audit Scotland.
- That these terms include a suggestion to the Scottish Government that it consider ensuring that arm's length external organisations be included in councils' obligations.
- That, as part of that response, to advise the Scottish Government of the Commission's view that it need not be designated as a 'major player' in terms of the proposed regulation because:
 - of the four criteria set out for being a 'major player', namely number of employees, expenditure, carbon footprint, and influence, only 'influence' is applicable to the Commission.
 - Audit Scotland, in providing services to the Commission, uses resources and thus generates greenhouse gas emissions.
 - whilst the Commission has an important influencing role in local government through, for example, its findings in relation to Controller of Audit reports or its performance audit reports, such influence can most practicably be reported by Audit Scotland.

Thereafter the Commission agreed to the submission of the draft response.

*Actions: Secretary and
Director of Performance Audit and Best Value*

15. Commission extranet [in private]

The Commission agreed that this item be held in private to allow it to consider the design of a private extranet site.

The Commission considered a presentation by the Information Services Manager and Secretary to the Commission on the proposed new extranet portal for members to remotely access Commission papers and other Commission business.

During discussion, the Commission noted that the portal was now available for members' use, and that feedback should be made to either the Information Services Manager or Secretary to the Commission.

16. Commission business matters [*in private*]

The Commission agreed that this item be held in private to allow it to discuss issues of a confidential nature relating to the operations of the Commission.

The Commission noted advice from the Chair that there were no issues requiring discussion under this item.

MEETING: 11 JUNE 2015**REPORT BY: SECRETARY TO THE ACCOUNTS COMMISSION****UPDATE REPORT**

Introduction

1. The purpose of this report is to provide a regular update to the Commission on significant recent activity relating to local government, as well as issues of relevance or interest across the wider public sector.
2. The regular Controller of Audit report to the Commission which updates the Commission on his activity complements this report. The Commission's Financial Audit and Assurance Committee also receives a more detailed update on issues relating to local government. This report complements the weekly briefing provided by Audit Scotland's Communication Team made available on the extranet site. This provides more detailed news coverage in certain areas.
3. The information featured is also available on the Accounts Commission member portal. Hyperlinks are provided in the electronic version of this report for ease of reference.

Commission business***Commission recruitment:***

4. Applications are open for three new members of the Accounts Commission, to be appointed from 1 October 2015. The closing date for applications is 22 June. As part of the recruitment campaign, the Commission is holding four 'familiarisation sessions', in Edinburgh (8 June), Glasgow (9 June), Inverness (15 June) and Aberdeen (16 June), attended by members of the Commission.

Publications:

5. The East Dunbartonshire Council Targeted Best Value Audit 2014/15 will be published on 4 June.

Other business:***Audit Scotland***

6. The Audit Scotland Annual Report and Accounts will be published on 10 June.

Auditor General for Scotland:

7. On 21 May the report on the [Scottish Fire and Rescue Service](#) was published by the Auditor General for Scotland. The report found that the creation of a single fire and rescue service for Scotland was managed effectively, and its performance is improving. It was also found that a long-term financial strategy is now urgently needed to address a significant potential funding gap. The report gained extensive coverage in the national and local press. The majority reflected the reports key messages well with

a focus on the predicted funding gap, the urgent need for a long-term financial strategy and the potential future implications for the service and there was a more localised, positive piece in the Press & Journal about the good work in the Grampian area being tested out Scotland-wide. Both STV West and BBC Scotland ran the report as their top news story. The report has been downloaded 801 times with 23 podcast downloads.

Issues affecting local government

Scottish Government:

8. The Scottish Government has published the [responses](#) to their consultation on the Revenue Scotland and Tax Powers Act: Scottish Tax Tribunal Rules alongside a [summary of responses](#). They also have produced a [summary of responses](#) on proposed subordinate legislation for the Revenue Scotland and Tax Powers Act.
9. Leslie Evans has been appointed as Permanent Secretary to the Scottish Government replacing Sir Peter Housden. She is currently Director General of Learning and Justice and will take up her post on 1 July.
10. The Scottish Government will launch a consultation in the summer on giving greater autonomy to the Highlands and islands. On a visit to Orkney on 1 June, Nicola Sturgeon told the Convention of the Highlands and Islands (COHI) that views would help draft a future Islands Bill to provide more power, equality and protection for the Islands to allow them to build a more prosperous and fairer future for their communities.

Scottish Parliament

11. Presiding Officer Tricia Marwick has announced she will stand down from Parliament at next years election.
12. Local Government and Community Empowerment Minister Marco Biagi has announced that he will not be seeking re-election in 2016.

Parliamentary Committee News:

Local Government and Regeneration Committee:

13. Across three meetings on 13, 20 and 27 May, the Committee considered the Air Weapons and Licensing (Scotland) Bill at Stage 2. Following some amendments, Stage 2 was completed on 27 May.
14. Also at the meeting on 27 May the following negative instruments were considered and it was agreed not to make any recommendations on them:
 - [Town and Country Planning \(Hazardous Substances\) \(Scotland\) Regulations 2015 \(SSI 2015/181\)](#);
 - [Town and Country Planning \(Hazardous Substances Inquiry Session Procedure\) \(Scotland\) Rules 2015 \(SSI 2015/182\)](#).

Public Audit Committee:

15. The Public Audit Committee has published a [letter](#) to the Cabinet Secretary for Education and Lifelong Learning, dated 30 April, highlighting concerns over college severance deals.

16. At its meeting on 13 May took evidence on [The 2013/14 audit of NHS Highland: financial management](#) from Elaine Mead, Chief Executive, Gary Coutts, Chair and Nick Kenton, Director of Finance at NHS Highland. They also took evidence from Fraser McKinlay, Director of Performance Audit and Best Value and Stephen Boyle, Assistant Director at Audit Scotland. It was agreed they would consider a private report at a future meeting.
17. At this meeting the Committee also agreed its annual report for the parliamentary year up to May 2015 and the arrangements for its publication.
18. On the 27 May the Committee considered the report from the Auditor General for Scotland on [The Scottish Fire and Rescue Service](#). They took evidence from Caroline Gardner, Auditor General for Scotland, Mark Roberts, Senior Manager, and Mick Duff, Audit Manager, Audit Scotland. They also took evidence from Pat Watters, Chair of the Board, and Alasdair Hay, Chief Officer, Scottish Fire and Rescue Service. The Committee agreed to note the report and contact the Scottish Government on issues raised in the discussions.
19. Also, at this meeting the Committee took evidence from John Swinney, Cabinet Secretary for Finance, Constitution and Economy on accountability, audit and further devolution powers. They also considered their response to the Devolution (Further Powers) Committee on the draft Memorandum of Understanding between the BBC and Scottish Government and Scottish Parliament, agreeing to consider this further at their next meeting.
20. Finally, the Committee took a further response from the Scottish Government to the Committee's report "[Report on Reshaping care for older people](#)". The Committee agreed to note the response.

Infrastructure and Capital Investment Committee:

21. On 20 May the Committee took evidence from Margaret Burgess, Minister for Housing and Welfare, Linda Leslie, Housing Strategy Team Leader, and Jacqueline Pantony, Principal Legal Officer, Scottish Government on draft subordinate legislation Enhanced Enforcement Areas Scheme (Scotland) Regulations 2015. The legislation was approved at the meeting. The regulations within this instrument make provision to enable a local authority to apply to the Scottish Ministers for an area to be designated as an Enhanced Enforcement Area ("EEA"). The purpose is to enable local authorities to improve standards in the private rented sector where there is a concentration of properties let by private landlords in a geographic area and where those properties are experiencing overcrowding and anti-social behaviour. Local authorities faced with this combination of issues are likely to require additional powers to tackle the problems and secure improvements in the area.

Finance Committee:

22. At its meeting on 27 May, the Committee took evidence on the Financial Memorandum of the [Education \(Scotland\) Bill](#) from Douglas Ansdell, Head of Gaelic Unit, Laura Meikle, Supporting Learners Team Leader and Scott Wood, Policy Advisor, Scottish Government.
23. The Committee also considered the negative instrument [Scottish Tax Tribunals \(Time Limits and Rules of Procedure\) Regulations 2015 \(SSI 2015/184\)](#) and agreed to write to the Cabinet Secretary for Finance, Constitution and Economy regarding the shortening of time limits for permission to appeal.

24. The Committee continued to take evidence on the proposals for a fiscal framework set out by the Smith Commission at its meetings on 13, 20 and 27 May.
25. On 20 May the Committee also took evidence on the draft Public Services Reform (Scotland) Act 2010 (Part 2 Extension) Order 2015 from John Swinney, Cabinet Secretary for Finance, Constitution and Economy, Alison Douglas, Head of Public Service Reform, and Victoria Bruce, Head of Public Bodies Unit, Scottish Government. This order extends Part 2 of the Public Services Reform Act for five years. Part 2 allows ministers to make orders to “improve the exercise of public functions, having regard to ... efficiency ... effectiveness, and ... economy” and to make orders to “remove or reduce” burdens. The order was approved.
26. As part of its scrutiny of the 2016-17 Draft Budget, the Finance Committee is asking for views on the Scottish Rate of Income Tax (SRIT) and the preparedness of employers and taxpayers for its introduction next year. Areas of consideration the Committee is seeking views on include the actual rate of the SRIT, allocation of funding should SRIT be above or below 10%, and whether its introduction has been publicised sufficiently.

Bills – Progress Updates:

27. The [Community Justice \(Scotland\) Bill](#) was introduced on 7 May 2015 by the Cabinet Secretary for Justice.
28. Stage 2 of the [Air Weapons and Licensing \(Scotland\) Bill](#) (introduced 14 May 2014) was completed by the Local Government and Regeneration Committee.
29. Stage 3 amendments of the [Community Empowerment \(Scotland\) Bill](#) may now be lodged.
30. The [Education \(Scotland\) Bill](#) was introduced on 23 March 2015 with the Education and Culture Committee considering it at Stage 1 on 28 April. On 5 May 2015, the Delegated Powers and Law Reform Committee considered the Bill at Stage 1.
31. The following Bills have not progressed further since my last report:
 - Consideration of the [Criminal Justice \(Scotland\) Bill](#) at Stage 2 is continuing.
 - The Harbours Bill was introduced on 18 March 2015 and the Infrastructure and Capital Investment Committee is taking evidence at Stage 1.

Smith Commission - Updates:

32. At present, the Smith Commission’s proposals are currently being considered within the Scottish and UK Parliaments, principally through the [Devolution \(Further Powers\) Committee](#) and [Scottish Affairs Committee](#) respectively.
33. On 14 May, the Devolution (Further Powers) Committee published its [interim report](#) on the draft legislation set out by the UK Government. The report states that the draft legislation “falls short” of the Smith Commission recommendations in some key areas.
34. The [Scotland Bill 2015-16](#) was been published along with [explanatory notes](#) on 28 May. The Bill will give the Scottish Parliament the power to set income tax rates and thresholds, with all money to be retained in Scotland, and welfare spending powers of £2.5bn. The frequency of Universal Credit payments will be subject to alteration and

powers over the rules affecting the benefits of carers, the elderly and disabled people will also be devolved. In addition, the Scottish Government will gain control over the first 10 percentage points of standard and 2.5% of reduced rate VAT revenue raised in Scotland.

Commission on Local Tax Reform

35. The deliberations of the [Commission on Local Tax Reform](#) continue. On 19 May, the Commission held its second oral evidence session, including evidence from John Baillie, past Chair of the Accounts Commission, in his capacity as a member of the [Local Government Finance Review Committee](#), which reported in 2006.

COSLA, Improvement Service etc.:

36. The Improvement Service has launched a [Money Advice Performance Management Framework](#) designed to measure the impact of council funded money and debt advice services. The framework is designed for use by all local authorities and includes performance indicators as well as a comprehensive guide and a data return template.
37. Solace Scotland held its annual conference on 21 and 22 May with the main aim of the event was an opportunity to network and share experiences which may help to drive progress and improvement. The full agenda and presentations from the event are available for download [here](#).

Current activity and news in Scottish local government:

General:

38. On 27 May Scotland's Chief Statistician published [Provisional Outturn 2014-15 and Budget Estimates 2015-16 statistics](#) providing net revenue expenditure figures for all the main services carried out by local authorities. The provisional outturn total net revenue expenditure is £11.899 billion, with Education and Social Work services accounting for just under two thirds of total expenditure. Budget estimates for 2015-16 are at £11.877 billion.

Individual councils:

39. Andrew Kerr, former Chief Executive of Cornwall Council, has been confirmed as the new Chief Executive of the City of Edinburgh Council. Andrew Kerr will replace Dame Sue Bruce on Monday 27 July.
40. In Aberdeenshire, four councillors have left the ruling Labour administration in the last month. Councillor Martin Kitts-Hayes, who was serving as deputy leader, and Councillor Sheena Lonchay both handed in their resignations on 19 May, three days after councillors Alison Evison and Raymond Christie left the group. This leaves a minority administration of 33 members, with 35 opposition councillors.
41. Ministers have called in Highland Council's plans to close four schools in Skye and replace them with a new building on one of the sites. [The Independent School Closure Review Panel](#) will consider the case

Scrutiny, inspection, regulatory and related bodies

Scottish Public Sector Ombudsman (SPSO):

42. The May newsletter has not yet been published. Information on the SPSO's work, including detailed investigations and decision reports, is available on the [Our findings](#) webpage.
43. The SPSO has upheld a complaint against Audit Scotland regarding an email communication. Further information on the decision can be found [here](#).

Commissioner for Ethical Standards in Public Life in Scotland:

44. Since the previous meeting of the Commission, three decisions on complaints relating to councillors were published by the [Commissioner](#). The Commissioner decided [Councillor Stephen McGee](#) at Renfrewshire Council, [Councillor Michael McPake](#) at North Lanarkshire Council, and [Councillor Alan Grant](#) at Perth and Kinross Council did not contravene the Councillor's Code of Conduct. More detailed intelligence from the Commissioner is considered routinely by the Financial Audit and Assurance Committee.

Standards Commission for Scotland:

45. On 26 May I met with the members of the Standards Commission to discuss our mutual ongoing interest in accountability issues around arm's length external organisations (ALEOs). The Standards Commission is currently considering the implications of such issues for the councillors' code of conduct. We agreed that we would collaborate further as the Accounts Commission progresses the matter. We will also consider how both bodies might collaborate around promoting our respective responsibilities, particularly around the 2017 local government elections.
46. On 12 May the Standards Commission for Scotland were invited to East Lothian Council to make a presentation to elected members focussing on aspects to the Councillors Code of Conduct that may be open to interpretation. The presentation can be found [here](#).
47. There have been no hearing panels since my last report.

Care Inspectorate:

48. The Care Inspectorate has appointed Karen Anderson as its new Chief Executive. Karen served as director of strategic development and depute chief executive at the Care Inspectorate since 2012 and previously held various executive roles in the Care Inspectorate since its inception and in its predecessor body the Care Commission since 2009.

Other UK Audit Bodies

National Audit Office:

49. The National Audit Office has published a [report](#) on the Department for Work & Pensions welfare reforms, suggesting that contingency plans should be made more openly in the future, alongside an “integrated view” of portfolio risks and capacity.

Wales Audit Office

50. The Wales Audit Office published on 28 May a report on [Welsh Government investment in next generation broadband infrastructure](#). The report found that the Welsh Government’s Superfast Cymru contract, signed with BT in 2012 and supported by up to £205 million of public funding, is ‘making reasonable progress’ in rolling out access to next generation broadband services. The report found that the Welsh Government is now expecting all business and residential premises to be able to access next generation broadband services by the end of 2016.

Westminster

Public Accounts Committee:

51. Margaret Hodge, chair of the Public Accounts Committee announced on 20 May that she will be standing down. The election for the new chair will take place in June.

Other general

52. The Financial Reporting Council has published its [Audit Quality Report for 2014/15](#) and found that the overall quality of auditing in the UK is improving. The FRC inspected a total of 109 private sector audits and also published reports on five of the largest firms.

Queen’s Speech

53. The Queen’s Speech on 27 May set out the UK government’s plans for the upcoming parliamentary session including the following planned bills of some relevance to local government:
 - Scotland Bill – Based on the Smith Commission agreement on Scottish devolution.
 - Wales Bill – There are plans to transfer some regulatory powers to Wales including ports, speed limits and sewerage and for the Welsh Assembly to decide own its own electoral system and voting age.
 - Northern Ireland Bill – The Bill will give effect to the Stormont House Agreement in Northern Ireland providing full and independent investigations into “unsolved Troubles-related deaths”.
 - Housing Bill – Including plans to extend the Right to Buy scheme to include housing association tenants in England. The Bill also includes schemes to help first time buyers.
 - Cities and Local Government Devolution Bill – introduce a framework to allow powers and finances to be devolved to be devolved to cities and local authorities.
 - Buses Bill – to allow the option for combined local authority areas with directly elected mayors to be responsible for running their local bus services.

- Education and Adoption Bill – to increase regional powers to intervene in failing schools and for “coasting” school to be turned into academies. The Bill will also give the education secretary new powers to force local councils to hand over their responsibilities for adoption to another authority or agency.
- Draft Public Service Ombudsman Bill – to reform and modernise the Public Service Ombudsman sector, merging the Parliamentary Ombudsman, Health Ombudsman, Local Government Ombudsman and potentially the Housing Ombudsman into one service.
- Charities (Protection and Social Investment) Bill – to strengthen the regulation of charities making it easier for the Charities Commission to close charities down and ban people from running charities. The Bill will also make it easier for charities to undertake social investment.

Conclusion

54. The Commission is invited to consider and note this report.

Paul Reilly
Secretary to the Accounts Commission
3 June 2015

MEETING: 11 JUNE 2015

REPORT BY THE DIRECTOR OF PERFORMANCE AUDIT AND BEST VALUE

STATUTORY PERFORMANCE INFORMATION 2013/14: AN EVALUATION OF COUNCILS' RESPONSES TO THE 2012 DIRECTION

Purpose

1. This report provides the Accounts Commission with a summary of how well councils have met the requirements of its Statutory Performance Information (SPI) Direction 2012. The aim of the report is to:
 - Provide the Commission with an evaluation of how well councils have responded to:
 - SPI 1 and 2 (by reporting a range of corporate management and service performance information, sufficient to demonstrate Best Value)
 - SPI 3 (by reporting service performance in accordance with the requirements of the Local Government Benchmarking Framework).
 - Identify where public performance reporting (PPR) has improved and where further improvement is still required in relation to councils demonstrating a broad and balanced approach to PPR that reflects the requirements of the 2004 statutory guidance¹.
 - Identify a sample of good practice examples.

Structure of the report

2. The report is structured into a short update followed by appendices giving further detail on the assessment, good practice and our methodology. The attached appendices are:
 - [Appendix 1](#). Indicators in the SPI Direction 2012.
 - [Appendix 2](#). Methodology/sample assessment for an anonymised council.
 - [Appendix 3](#). 2015 assessments – by SPI theme.
 - [Appendix 4](#). 2015 assessments – by council.
 - [Appendix 5](#). Examples of good practice.

¹ Local Government in Scotland Act 2003. Best Value [Statutory Guidance - Measures to Support Public Performance Reporting](#). Scottish Executive, Edinburgh, 2004

Background

3. The Commissions' SPI Direction 2008 marked a significant shift in approach to SPIs, encouraging councils to develop their PPR alongside a shorter set of comparable indicators than had previously been prescribed by the Commission. In 2011, Audit Scotland produced an evaluation of councils' response to the Direction 2008. A similar annual assessment has been reported to the Commission each following year.
4. The Direction 2012 marked the next step in the change of approach with the introduction of SPI 3, which requires councils to report their performance in accordance with the requirements of what is now the Local Government Benchmarking Framework. SPIs 1, 2 and 3 in the Direction 2012 are set out in [Appendix 1](#).
5. **Exhibit 1** clarifies the relationship between the year each Direction is published, the financial year to which it pertains and when performance is reported and subsequently assessed.

Exhibit 1

SPI Directions and corresponding financial years

The Direction 2012 applied to councils' performance during 2013/14.

Direction	2008	2009	2010	2011	2012
About performance in year	2009/10	2010/11	2011/12	2012/13	2013/14
Council report the performance publically	2010/11	2011/12	2012/13	2013/14	2014/15
Audit Scotland assessment in Spring	2011	2012	2013	2014	2015

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6. This report evaluates councils' response to the Direction 2012 in reporting performance for the 2013/14 financial year. It is the fifth year that we have reported on councils' approaches to reporting performance in relation to SPIs 1 and 2 and the first year that the evaluation includes SPI 3.

Audit Scotland's approach to evaluating the quality of councils' response to the SPI Direction 2012

7. In June 2014, the Commission considered the evaluation of reporting against the Direction 2011. The report responded to a previous request from the Commission for more transparency in the process and for the inclusion of examples of good practice to share with councils. At the meeting, the Commission recognised the progress made and requested that we consider what further information from the process could be provided to councils to support continuous improvement.
8. In July 2014, the Chair of the Commission wrote to all councils enclosing a copy of the 2014 evaluation report and a copy of their individual assessment. Since then, we have sought feedback from stakeholders [including the Improvement Service and the Scottish Performance Management Forum (SPMF)] about the process and assessments. The feedback indicated there is an appetite for more information and more transparency in the assessment process. The feedback also showed some indications of a compliance culture, with the assessment information being used by councils as quantitative measure and a league table, or as something to pass rather than a tool for supporting improvement.

9. In September 2014, appointed auditors completed and submitted a review of each council's planned arrangements for PPR for the forthcoming year. This is the first time this review has taken place. The detailed reports from auditors have provided a significant amount of information that has been a useful additional resource for the evaluation of the quality of reporting against the SPIs set out in this report.
10. In response to the Commission's request and the feedback from stakeholders, we have made a number of changes to the assessment process. In particular, the process has been undertaken with a clear aim of providing detailed individual reports for each council to support improvement. An example is set out at [Appendix 2](#).
11. Each assessment has been peer reviewed as a cross-check within the assessment team and a factual accuracy check has taken place with each council. This more comprehensive testing of the assessments has been generally welcomed by the appointed auditors and councils.
12. In previous assessments, councils were assessed as either 'fully', 'partially' or 'not' meeting requirements. For this year's evaluation we introduced a simpler and clearer assessment scale which also promoted a stronger focus on continuous improvement. This involved assessed councils as either fully meeting requirements ('Yes') or having an 'area for improvement' (AFI).
13. The change in methodology means it is not possible to make exact comparisons between the 2014 and 2015 assessments. However, it is evident that there remains a significant gap between top-performing councils and those that are still finding PPR challenging across a broad range of the characteristics we have reviewed.
14. The assessments are structured to be as objective as possible but an element of subjectivity is unavoidable when assessing the quality of the information and how it is presented. The team worked closely together and cross-checked each others' judgements to ensure consistency in the assessments. Each council's PPR was assessed against a framework of quality themes relating to SPIs 1, 2 and 3, as well as a number of overarching quality themes, including whether there is:
 - a structured approach to PPR, with clear presentation of information
 - effective use of customer satisfaction information
 - a balanced picture of performance
 - a good use of comparators
 - a good use of financial and cost information
 - evidence of the council's dialogue with the public
 - evidence of the accessibility of information.
15. Examples of the quality themes used as part of the assessment are set out in **Exhibit 2**. The team reviewed each council's PPR arrangements to identify whether there was evidence of the characteristics being met or if there were areas for improvement. [Appendix 2](#) illustrates how the themes were assessed for an individual anonymised council.

Exhibit 2

Examples of themes and assessment characteristics

Each council should report a range of information sufficient to demonstrate that it is securing Best Value in relation to:

SPI/Quality themes	Public performance reporting (PPR) characteristics
<p>SPI 1/Responsiveness to communities</p> <ul style="list-style-type: none"> • Engagement • Customer feedback • Satisfaction survey • Consultation • Citizen panel • Customer care • Complaints • FOI requests • Contact centre 	<p>A range of PPR info gives a broad overview of performance.</p> <p>PPR includes local indicators that give a full picture, eg on:</p> <ul style="list-style-type: none"> • how well the council meets the needs of specific communities • data from its surveys and consultations • how it has reacted to feedback • how it has improved services. <p>The council actively seeks feedback on corporate and service issues.</p> <p>Complaints data are reported for all services.</p> <p>It is easy to make a complaint or FOI request.</p>
<p>SPI 2/Community care</p> <ul style="list-style-type: none"> • Community care • Delayed discharge • Respite care • Care satisfaction • Waiting times • Service user survey • Telecare • Care staff training • Personal care 	<p>A range of PPR info gives a broad overview of performance.</p> <p>PPR includes local indicators that give a full picture, eg on:</p> <ul style="list-style-type: none"> • service user satisfaction • number of people waiting longer than target time for service • percentage of personal carers qualified to the Scottish Social Services Council standard. <p>PPR includes commentary on the integration of adult health and social care and other relevant policy developments, eg Self-Directed Support.</p> <p>PPR has clear links to higher-level strategic themes in the Single Outcome Agreement (SOA) and/or community planning partnership (CPP) plan/strategy</p>
<p>SPI 3/LGBF</p> <ul style="list-style-type: none"> • Framework • Benchmarking • Service • Performance 	<p>The council reports its performance against the indicators in the Local Government Benchmarking Framework (LGBF).</p> <p>The council reports its performance at the 'mylocalcouncil' benchmarking website.</p>
<p>Overall quality aspects/ Structured approach to PPR, with clear presentation of information</p>	<p>PPR information is linked directly from website's Home page.</p> <p>There is a coherent look and feel to how information is presented and structured.</p> <p>There is a high-level summary on the council's overall performance.</p> <p>There is clear layering and signposting of information, which is easy for the reader to navigate.</p> <p>There is relevant explanatory narrative – which is in Plain English.</p> <p>There are supporting informative graphics, eg charts, tables, and diagrams.</p> <p>Web links to other PPR info work.</p> <p>The council reports on additional indicators that contribute to an overall view of its performance.</p>

Evaluation of councils' response to the 2012 Direction

Councils' response to SPI 1 and SPI 2 has continued to improve

16. The new assessment methodology means that direct comparisons between the 2015 assessment and previous years' cannot be made on a like-for-like basis. Nonetheless, the evidence indicates an overall improvement from last year to this year. Contributory factors to that improvement are:
- Several councils have overhauled their corporate website and/or improved the design of their web pages on council performance.
 - At least three quarters of councils now utilise specialist performance management software which supports both operational performance management within the council and simplifies the provision of public-facing performance information.
 - All councils have been even-handed in reporting their performance, rather than simply emphasising the positives.
17. Although councils' PPR arrangements continue to improve overall, there are significant variations among the SPI 1 and SPI 2 themes, and among councils. [Appendix 3](#) shows the total number of councils that achieved a 'Yes' rating for 2013/14, on the themes in SPI 1 and SPI 2, and on the overall quality themes we considered. [Appendix 4](#) details councils' assessments ratings on the SPI 1 and SPI 2 themes.
18. **Exhibit 3** illustrates the number of councils that were assessed as meeting the coverage and quality requirements in the 2015 assessments.
19. The number of councils meeting the characteristics within SPI 1 improved on all seven of its themes. The number of councils meeting the 11 characteristics within SPI 2 also increased overall and reduced only for community care, from 27 to 26 councils.
20. The sophistication of councils' approaches to PPR bears little correlation with their size or location. Some smaller, more rural councils are performing relatively well (eg Angus, Moray) in contrast with some larger central belt councils (eg City of Edinburgh, Glasgow City).
21. Areas for further improvement varied across councils but common weaknesses continued to be:
- a reliance on data tables, with limited use of infographics
 - the use and quality of narrative surrounding the data to explain performance to the public in layman's terms.

All councils have some scope to improve their PPR.

Exhibit 3

Number of councils meeting the characteristics in 2014 and 2015

In SPI 1, the number of councils meeting the criteria increased on all seven themes.

In SPI 2, the number of councils increased on 10 themes and decreased on one.

SPI	Theme	2014	2015	Change
SPI 1	Responsiveness to its communities	19	23	s
	Revenues & service costs	27	29	s
	Employees	13	18	s
	Assets	3	21	s
	Procurement	14	19	s
	Sustainable development	21	28	s
	Equalities & diversity	7	20	s

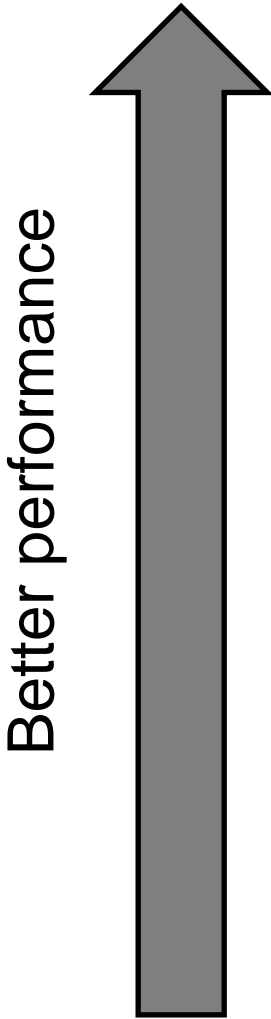
SPI 2	Benefits administration	9	22	s
	Community care	27	26	t
	Criminal justice social work	14	18	s
	Cultural & community services	14	28	s
	Planning	15	26	s
	Education of children	24	29	s
	Child protection/social work	19	28	s
	Housing & homelessness	20	29	s
	Protective services	9	20	s
	Roads & lighting	13	23	s
	Waste management	16	26	s

22. **Exhibit 4** illustrates how well councils met all 18 themes of SPI 1 and SPI 2. To show the spread of councils' performance, the exhibit presents the number of 'Yes' assessments that each council has received in approximate quartile ranges. Within each quartile, councils are listed in alphabetical order.

Exhibit 4

Councils' level of full compliance with SPIs 1 and 2

Councils have been sorted into quartiles, in terms of their levels of full compliance with the eighteen themes in SPIs 1 and 2. In each quartile, councils are listed in alphabetical order.

		Quartile	Councils in this quartile
		 <p>Better performance</p>	<p>Q 1 (Full compliance with 15-18 themes)</p>
<p>Q 2 (Full compliance with 10-14 themes)</p>	<ul style="list-style-type: none"> • Argyll & Bute • Clackmannanshire • Dumfries & Galloway • Dundee City • Glasgow City • Orkney Islands • Renfrewshire • Scottish Borders 		
<p>Q3 (Full compliance with 5-9 themes)</p>	<ul style="list-style-type: none"> • Eilean Siar • Falkirk • Highland • Shetland Islands • South Ayrshire 		
<p>Q4 (Full compliance with 0-4 themes)</p>	<ul style="list-style-type: none"> • Aberdeen City 		

There was a wide range of performance among SPI 1 themes

23. Across the seven themes in SPI 1, the number of councils meeting the 2015 assessment's requirements ranged between 18 (Employees) and 29 (Revenues and service costs).

24. Councils were found to be good at reporting on engaging with their communities through mechanisms such as online consultations, citizens' panels and surveys – but less good at demonstrating how feedback from the public had been utilised to improve council services and the council's overall performance. Councils also performed well overall on the provision of information about their income and expenditure, utilising the body of data already used routinely for management information purposes. PPR about sustainable development has benefited from accumulating a sizeable range of performance

indicators over the years. Where PPR was weaker, it often lacked supporting narrative explanation in layman's terms.

25. The three weakest themes were the provision of performance information on employees (18 councils), procurement (19) and equalities and diversity (20). Reporting on these themes was also relatively weak in 2014 and tended to use a small number of indicators. However, the number of councils found to meet the assessment characteristics for assets rose from three in 2014 to 21 in 2015, and the number of councils nearly trebled for equalities and diversity, from seven to 20.

There was also a wide range of performance among SPI 2 themes

26. Across the 11 themes in SPI 2, the number of councils meeting the 2015 assessment's characteristics ranged between 18 (criminal justice social work) and 29 (the education of children). The number of councils doubled or more for three themes (benefits administration; cultural and community services; and protective services).
27. The two weakest themes overall were criminal justice social work (18 councils) and protective services (20 councils), yet some councils' response to the SPIs was of a high standard on these themes. Across all SPI themes, reasons for changes between 2014 and 2015 varied widely among councils, but factors included:
- Quantity – the use of additional performance indicators within each theme, eg including indicators of service performance that are linked to corporate objectives in the council's Single Outcome Agreement, thereby demonstrating how performance improvements are aligned with the council's and its partners' strategic objectives.
 - Quality – better quality reporting on performance indicators, eg including the use of colour exhibits; information on targets, trends, family group comparisons; and narrative clearly explaining performance.

All councils complied with SPI 3

28. In 2015, all councils reported their performance through the LGBF arrangements, in line with the Commission's expectations under SPI 3. The LGBF uses data which is largely drawn from Scottish Government public data sources and is therefore subject to Scottish Government validation processes. For data submitted directly to the Improvement Service, detailed guidance and metadata ensure consistent data are returned across all councils. Protocols for validating and cleaning data are also in place. All data received are compared against previous years' data and other councils' to check consistency; and all outliers are checked, queried and confirmed with the source.
29. Areas where consistency can be strengthened further through clearer guidance are identified by a working group that has been established to develop family-group comparisons, and are then addressed via council-led task groups (eg the LGBF's Directors of Finance subgroup).
30. Also, the Improvement Service has recently reviewed the reporting of LGBF information and considered how the approach can be strengthened. It made a web page template available to councils, comprising a virtual 'contents page' framework which councils could use to structure their online PPR. The review identified five councils which largely followed the guidance in the template (Dumfries & Galloway, Falkirk, Fife, Perth and West Dunbartonshire) and others that have taken its general principles on board.

Good practice

31. This report aims to support continuous improvement by highlighting examples of an effective overall approach to PPR. The examples in **Exhibit 5** are set out in full at [Appendix 5](#). They are not necessarily best practice and should more accurately be considered as ‘interesting practice’ that may be of benefit to other councils.

Exhibit 5

Good practice

This is a sample of good council practice.



Overall quality characteristics of PPR	Councils
A well-structured approach to PPR	<ul style="list-style-type: none"> Dumfries & Galloway, Fife
Effective use of customer satisfaction info	<ul style="list-style-type: none"> South Ayrshire, West Dunbartonshire
Balanced picture of performance	<ul style="list-style-type: none"> East Renfrewshire, South Lanarkshire
Good use of comparators	<ul style="list-style-type: none"> City of Edinburgh
Good use of financial and cost information	<ul style="list-style-type: none"> Glasgow City
Dialogue with the public	<ul style="list-style-type: none"> Aberdeen City, Perth & Kinross
Accessibility	<ul style="list-style-type: none"> Argyll & Bute, Eilean Siar (Western Isles)

Exhibit 6 illustrates aspects of public performance that councils could strengthen, and others presenting risks that councils should be alert to.

Exhibit 6

Scope for further improvement

Councils should aim to improve on a range of aspects.

 Improve	<ul style="list-style-type: none"> Consistently high quality presentation of information for all SPI 1 & 2 themes. Plain English narrative to explain complex datasets, describe performance and trends in layman’s terms and target improvements for the following year. Infographics to summarise complex financial information. Information on customer satisfaction, feedback and complaints for individual council services; any improvement actions taken as a result of feedback. Use of benchmarking against family groups – an aspect of the LGBF currently being developed by the Improvement Service – to set performance in context, identify performance strengths, and to prioritise improvements.
 Reduce	<ul style="list-style-type: none"> Convolved and lengthy website pathways to performance information. Inconsistent treatment of performance information on different themes. Reliance on detailed committee reports for public performance reporting. Bureaucratic language. Broken web links.

Recommendations

32. It is recommended that the Commission:

- Note that councils' response to SPI 1 and SPI 2 has continued to improve overall, in terms of their handling of public performance reporting.
- Note that all councils are complying with SPI 3, on the Local Government Benchmarking Framework, which was introduced with the Direction 2012 for performance in 2013/14.
- Note that councils' progress with responding to the areas for improvement identified in this assessment will be monitored through our annual audit and Best Value processes.
- Consider writing to all councils reporting the progress that has been made in this area across the local government sector during 2014/15 offering further encouragement for councils to make further progress with improving PPR. The Commission may also wish to take this as an opportunity to refer to its consideration of its long-term strategic direction in relation to SPIs.

Fraser McKinlay

Director of Performance Audit and Best Value/Controller of Audit

11 June 2015

APPENDICES

Appendix 1. Indicators in the SPI Direction 2012

The Direction 2012 specified three high-level indicators, and bulleted a range of supporting themes for SPI 1 and SPI 2. This information formed the cornerstones of the 2015 PPR assessments.

SPI 1. Corporate management – Each council will report a range of information, sufficient to demonstrate that it is securing Best Value in relation to:

- responsiveness to its communities
- revenues and service costs
- employees
- assets
- procurement
- sustainable development
- equalities and diversity.

SPI 2. Service performance – Each council will report a range of information sufficient to demonstrate that it is securing Best Value in providing the following services (in partnership with others where appropriate):

- benefits administration
- community care
- criminal justice social work
- cultural & community services (covering at least sport & leisure, museums, the arts and libraries)
- planning (both environmental and development management)
- the education of children
- child protection and children's social work
- housing & homelessness
- protective services including environmental health & trading standards
- roads and lighting
- waste management services.

SPI 3. SOLACE benchmarks – Each council will report its performance in accordance with the requirements of the Society of Local Authority Chief Executive (SOLACE) benchmark project.

Appendix 2. Example assessment

Column A – SPI themes

Under each SPI, sit a number of themes, as set out in the Direction 2012 – eg Responsiveness to Communities. These are taken directly from the Direction 2012.

Column B – characteristics of PPR.

The criteria for the assessment are set out as a broad set of characteristics that describe what is expected under each theme that the council may report to demonstrate that it is securing Best Value

Column C – evidence on the council's PPR

For each characteristic, the assessment team sourced evidence from:

- local auditors
- councils' websites
- an invitation to each council to submit evidence of its 2013/14 PPR
- e-copies of council publications, eg council newspapers, Council Tax leaflet, etc.

Column D – a summary narrative assessment

This was drafted by the assessment team. Councils were able to comment on the narrative for each SPI theme, but the final assessment was made and articulated in this summary by Audit Scotland

Column E – overall assessment rating for each aspect, as either:

- Yes = meets the criteria, or
- AFI = area for improvement.

X COUNCIL – ASSESSMENT OF THE COUNCIL’S PUBLIC PERFORMANCE REPORTING FOR 2013/14

Roles	Organisation	Name & title	Email	Telephone
Audit Scotland	PABV Group	Name of Audit Manager	Email address	Number
Auditor	Audit Scotland/firm	Name & title of appointed auditor	Email address	Number
Auditor	Audit Scotland/firm	Name & title of audit manager	Email address	Number
Council	Council name	Name & /title of lead contact for SPI/PPR purposes	Email address	Number

Key links

SPI1. Corporate management

- Link from the council's Home page to its lead page for performance information
- Link from the lead performance page to the corporate annual performance report (if any)
- Links from the lead performance page to performance information on the themes in SPI 1 (if any)

SPI2. Service performance – links from the lead performance page to:

- Performance information on the themes in SPI 2 (if any)

SPI 3. LGBF – links from the lead performance page to:

- Information about the LGBF
- Performance against LGBF indicators
 - The online benchmarking tool at <http://scotland.mylocalcouncil.info/>

Links to SPIs / summary of ratings

SPI 1. Corporate	Rating	SPI 2. Service	Rating	SPI 3.	Rating	4. Overall aspects	Rating	Good practice
1.1 Responsiveness to communities	YES	2.1 Benefits administration	AFI	3.1 LGBF	YES	4.1 Structured approach	YES	
1.2 Revenues & service costs	YES	2.2 Child protection/social work	AFI			4.2 Customer satisfaction	YES	
1.3 Employees	YES	2.3 Community care	AFI			4.3 Balanced picture	YES	
1.4 Assets	AFI	2.4 Criminal justice social work	AFI			4.4 Comparators	YES	
1.5 Procurement	YES	2.5 Cultural & community services	AFI			4.5 Financial and cost info	YES	
1.6 Sustainable development	YES	2.6 Education of children	AFI			4.6 Dialogue with the public	YES	
1.7 Equalities and diversity	AFI	2.7 Housing homelessness	YES			4.7 Accessibility	AFI	
		2.8 Planning	YES					
		2.9 Protective services	AFI					
		2.10 Roads & lighting	AFI					
		2.11 Waste management	AFI					
Number of Yes	5		2		1		6	
Number of AFI	2		9		-		1	

Assessment detail

The summary **Rating** should be noted as **Yes** (fully meets requirements) or **AFI** (area for improvement).

Key to other terms: **CPO** = Community Payback Order. **CPP** = Community Planning Partnership. **FOI** = Freedom of Information. **Info** = information. **KPI** = performance indicator. **LGBF** = Local Government Benchmarking Framework. **PPR** = Public Performance Reporting. **SOA** = Single Outcome Agreement. **SPI** = Statutory Performance Indicator.

Aspect	Characteristics include...	Evidence (key facts / links to web pages)	Summary judgement	Rating
SPI 1. CORPORATE MANAGEMENT – Each council should report a range of information sufficient to demonstrate that it is securing Best Value in relation to:				
1.1 Responsiveness to communities <ul style="list-style-type: none"> • Engagement • Customer feedback • Satisfaction survey • Consultation • Citizen panel • Customer care • Complaints • FOI requests • Contact centre 	1.1.a. A range of PPR info gives a broad overview of performance.	The Corporate performance reporting page links to: the Public Performance Report 2014; 2013/14 Benchmarking summary overview report; the Public Performance Policy and Performance indicators for 2013/14. Each page has an A-Z menu bar at the top, giving easy access to detailed info on complaints, FOI, Citizens' panel, consultations, customer care.	The council provides the reader with comprehensive, contextual information on performance in responsiveness to communities and links to relevant documents. It would also be helpful to demonstrate consistently how the council has reacted to feedback gleaned through consultations and to include working links.	YES
	1.1.b. PPR includes local indicators that give a full picture, eg on: <ul style="list-style-type: none"> • how well the council meets the needs of specific communities • data from its surveys and consultations • how it has reacted to feedback • how it has improved services. 	<p>The council's Performance indicators 2013/14 include six responsiveness to communities-related indicators, such as:</p> <ul style="list-style-type: none"> • the percentage availability of the COUNCIL website • the number of complaints per 1,000 population • the customer satisfaction index score. <p>The council's Recent consultation & feedback page features closed consultations spanning from 2012 to 2015. There were 13 consultations in 2013/14. There is an issue with consistency in the way consultations are reported, eg the Adult social care contributions policy consultation has a helpful 'you said, we did' approach, but other consultations do not include this info.</p>		
	1.1.c. The council actively seeks feedback on corporate and service issues.	The Consultations and have your say page has a link to a feedback, complaints and suggestions online form. In addition, each webpage has a 'Rate this page' tab which opens a feedback form.		
	1.1.d. Complaints data are reported for all services.	The Complaints page contains the section 'Complaints analysis and performance indicators', where the 2013/14 Annual complaints report is located, providing complaints data for the year. However, a customer satisfaction survey for the complaints service was not carried out in 2013/14.		
	1.1.e. It is easy to make a complaint or a FOI request.	Links to complaints and FOI pages are at the bottom of each web page. Both pages explain requests/complaints.		

Aspect	Characteristics include...	Evidence (key facts / links to web pages)	Summary judgement	Rating
1.2 Revenues and service costs <ul style="list-style-type: none"> Budget Revenue Expenditure Income Service cost Council tax 	1.2.a. A range of PPR info gives a broad overview of performance.	A Statement of accounts 2013/14 is accessed through Council and government > Annual reports. The document provides a brief overview of finances and financial performance throughout the year and highlights the council's financial position as at 31 March 2014 as well as budget, expenditure and revenues. There is info on how Council Tax works. An A-Z search brings up a Revenue Budget page comparing 2013/14 budget with 2014/15 budget and includes a breakdown of budgets by service area.	Comprehensive, relevant performance information is available, providing a good overview of revenues and service costs.	YES
	1.2.b. PPR includes local indicators giving a full picture, eg on: <ul style="list-style-type: none"> unit costs/service expenditure efficiency targets. 	The Statement of accounts 2013/14 outlines seven financial performance indicators, including the Council Tax in-year collection rate and the impact of capital investments on Council Tax and weekly rents. The council's Key indicators 2013/14 include info on total cash efficiency savings for the year. A Confirmation of efficiencies delivered in 2013/14 document, accessible via the performance page, summarises efficiency savings in five different activities, eg asset management and energy efficiencies. Unit cost-related indicators, eg annual property costs per m ² and the cost of collecting Council Tax per dwelling are found in the Key indicators 2013/14.		
1.3 Employees <ul style="list-style-type: none"> Sickness absence Staff survey Staff engagement Staff feedback Staff turnover Staff satisfaction Staff training 	1.3.a. A range of PPR info gives a broad overview of performance.	The council's Performance Indicators 2013/14 provide some info on sickness-absence rates and include info on employee surveys for 2012/13; but this info is not available for 2013/14 until sometime later in 2015. In addition, the path: Council and government>Performance reporting> Service performance leads the reader to the 2013/14 Performance monitoring statements , which includes further employee-related indicators.	The council reports on a number of employee-related performance measures, providing a comprehensive overview of this aspect of corporate performance. However, PPR would benefit from updated information on the council's workforce.	YES
	1.3.b. PPR includes local indicators that give a full picture, eg on: <ul style="list-style-type: none"> wider performance measures such as job satisfaction the cost of the HR 	The 2013/14 Revised revenue budget provides info on the cost of HR & ICT for 2013/14 and 2014/15, under Corporate services. Statistical info on the workforce is available through the 2013/14 Performance indicators link and refers to the period 1 Nov 2012 – 31 Oct 2013. This includes data on staff turnover and sickness-absences for the period, with bar charts, indicating		

Aspect	Characteristics include...	Evidence (key facts / links to web pages)	Summary judgement	Rating
	function <ul style="list-style-type: none"> • staff engagement • workforce changes, eg staffing reductions through voluntary severance or redundancy • senior management restructuring. 	trends over time. In addition, an Employee survey – results summary 2013 provides information on staff satisfaction and staff feedback on council issues.		
1.4 Assets <ul style="list-style-type: none"> • Asset management • Property maintenance • Property repairs • Buildings • Vehicles • Equipment 	1.4.a. PPR includes local indicators that give a full picture, eg on: <ul style="list-style-type: none"> • corporate asset management plan • key projects (eg new HQ) • property repairs • property maintenance spend • work with partners to best use joint assets. 	The council's Performance indicators 2013/14 booklet includes eight indicators on assets and the vehicle fleet, eg: <ul style="list-style-type: none"> • the proportion of properties at a satisfactory standard • the cost of required maintenance • customer satisfaction with building cleaning and catering • the average mileage of pool cars. 	The council reports on a number of asset-related indicators, but there was no evidence of actions taken to improve performance.	AFI
1.5 Procurement <ul style="list-style-type: none"> • Procurement • Procurement Capability Assessment (PCA) 	1.5.a. PPR includes local indicators that give a full picture, eg on: <ul style="list-style-type: none"> • e-procurement. • PCA score • Improvements from joint spend with partner bodies. 	The council produces a Procurement performance (2013/14) and priority report (2014/15) , which gives an overview of procurement performance for 2013/14 and includes narrative on the PCA score as well as an e-tendering system, but there is no performance info on this aspect. The council's Key indicators 2013/14 include two procurement-related indicators, eg, the total cash savings achieved through procurement. The document has info on procurement performance and links the reader to a set of tables that provide further procurement performance info, eg: <ul style="list-style-type: none"> • total cash savings achieved through procurement in 2013/14 • updates against procurement targets for 2013/14. 	There is a good range of performance information on procurement and on the PCA score, but the council could usefully provide information on any joint spend.	YES

Aspect	Characteristics include...	Evidence (key facts / links to web pages)	Summary judgement	Rating
1.6 Sustainable development (Focusing on environmental aspects) <ul style="list-style-type: none"> • Sustainability • Environmental • Green, Ecology • Street cleaning • Carbon emissions • Energy efficiency • Biodiversity 	1.6.a. A range of PPR info gives a broad overview of performance.	Seven sustainable development indicators, plus commentary on performance and targets met within the Carbon management plan 2009-2014 , are found in the Key indicators 2013/14 document. A report on Carbon management is included in the commentary, and provides further info on performance against targets set in the plan. An Annual energy report 2013/14 details the council's performance in energy consumption (including graphs) and gives info on sustainable development schemes, such as an energy awareness initiative.	The council reports on a range of sustainable development-related PPR material, which paints an overall picture of performance in this area.	YES
	1.6.b. PPR includes local indicators that give a full picture, eg on: <ul style="list-style-type: none"> • biodiversity actions and targets • energy consumption • vehicle fleet CO₂ emissions • derelict land • parks and outdoor spaces. 	Indicators cover: derelict land; annual energy consumption; and annual CO ₂ emissions. In addition, the Performance monitoring statements includes two performance indicators – on the percentage of adults satisfied with parks and open spaces, and on the cost of parks. Performance info is compared with previous years' and quarters and measured with a 'traffic light' scale.		
1.7 Equalities and diversity <ul style="list-style-type: none"> • Equality • Diversity • Female employees • Disability • Ethnic minority 	1.7.a. A range of PPR info gives a broad overview of performance.	An Equality impact assessment for the calendar year 2013 details impacts identified in the year and areas for improvement in 2014. An Equality outcomes 2013-2017 report sets out equality outcomes for the council and a Mainstreaming report 2013 gives material on mainstreaming activities and comprehensive coverage of the workforce, including the employee profile.	There is some performance information on equalities and diversity. However, there is no information on the wider aspects of the council's role in promoting equality and diversity.	AFI
	1.7.b. PPR recognises equalities & diversity in its broader sense, and covers how well the council is tackling inequality.	See 1.7.a.		
	1.7.c. PPR includes commentary on the council's response to its statutory duties on diversity and	See 1.7.a.		

Aspect	Characteristics include...	Evidence (key facts / links to web pages)	Summary judgement	Rating
	equality. 1.7.d. PPR includes local indicators that give a full picture, eg on: <ul style="list-style-type: none"> • complaints by ethnic minorities • user satisfaction with services. 	There are three indicators in the Key indicators 2013/14 document, eg: <ul style="list-style-type: none"> • % of highest paid 5% of earners that are women • % of primary school pupils taking school meals. Additional indicators, such as on disabilities and satisfaction levels, would be helpful.		
SPI 2. SERVICE PERFORMANCE - Each council will report a range of information sufficient to demonstrate that it is securing Best Value in providing the following services (in partnership with others where appropriate)				
2.1 Benefits administration <ul style="list-style-type: none"> • Benefit • Benefit fraud • Welfare reform 	2.1.a. A range of PPR info gives a broad overview of performance. 2.1.b. PPR includes local indicators that give a full picture, eg on: <ul style="list-style-type: none"> • how well the council has responded to welfare reforms • service impacts as a result. 2.1.c. PPR has clear links to higher-level strategic themes in the SOA and/or CPP plan/strategy.	The Benefits administration page links to the PPR calendar 2015, service business plan progress reports, Exchequer PIs, Benefits Business Plan, Welfare Reform, Improvement Service dashboard, and discretionary housing payments. PPR calendar refers to 2 indicators and Welfare Fund. No trend data provided. The Counter Fraud Business Plan 2014/15 provides a number of indicators, but there is no trend data or values for 2013/14 with targets. Comments are provided for the indicators that did not meet the target. KPIs are included in the Finance and Corporate resources report, but no trend data are provided. The Benefit and Counter Fraud Business Plan 2014/15 makes no reference to the SOA.	The website contains a lot of information on benefits and the welfare reform. While the two reports contain data on 2013/14 performance, the absence of trend data makes it difficult to establish what progress has been made over time.	AFI

Aspect	Characteristics include...	Evidence (key facts / links to web pages)	Summary judgement	Rating
<p>2.2 Child protection & children's social work</p> <ul style="list-style-type: none"> • Child protection • Children looked after at home • Child care • Foster care • Supervision order 	<p>2.2.a. A range of PPR info gives a broad overview of performance.</p>	<p>The Child Protection and Children's Social Work page links to the PPR calendar 2015, service business plan progress reports, The 2010-14 Children's Services Performance Report, The Chief Social Work Officer report 2013/14 and info pages.</p>	<p>The website contains a lot of information on child protection & children's social work, but no local indicators with trend data are provided in any of the reviewed reports.</p>	<p>AFI</p>
	<p>2.2.b. PPR includes local indicators that give a full picture, eg on:</p> <ul style="list-style-type: none"> • placement of looked after children • % of children seen by a supervisor officer < 15 days • children on the child protection register. 	<p>Three indicators included in the PPR calendar, but no trend data are provided.</p> <p>The 2010-14 Children's Services Performance Report includes several indicators with trend data and comparison with the Scottish average, as well local authority ranking (LGBF indicators). Neither contextual narrative nor local indicators are provided in the report.</p> <p>The Chief Social Work Officer report 2013/14 contains considerable contextual info, but has no indicators.</p> <p>The Education & Children's Services KPI quarterly progress report has a number of indicators, but there is no trend data.</p>		
	<p>2.2.c. PPR has clear links to higher-level strategic themes in the SOA and/or CPP plan/strategy</p>	<p>No reference to the SOA in the reviewed reports. The KPI report links to higher themes in council's strategies.</p>		
<p>2.3 Community care</p> <ul style="list-style-type: none"> • Community care • Delayed discharge • Respite care • Care satisfaction • Waiting times • Service user survey • Telecare • Care staff training • Personal care 	<p>2.3.a. A range of PPR info gives a broad overview of performance.</p>	<p>The Community Care page contains links to the PPR calendar 2015, service business plan progress reports, the adult social care performance report and other related pages – like satisfaction surveys, complaints procedures and Care Inspectorate reports.</p>	<p>The council's performance page contains a lot of information on child protection & children's social work, but no local indicators with trend data are provided in any of the reviewed reports.</p>	<p>AFI</p>
	<p>2.3.b. PPR includes local indicators that give a full picture, eg on:</p> <ul style="list-style-type: none"> • service user satisfaction • no. of people waiting longer than target time for service • % of personal carers qualified to Scottish 	<p>The 2010-14 Adult Social Care performance report includes LGBF indicators with trend data and Scottish average comparisons. Neither contextual narrative nor local indicators are provided in the report.</p> <p>The Social and Community Services KPI progress report includes a number of relevant indicators, but no trend data. The SOA Measuring Success 2013/14 report includes one relevant indicator (Number of older people aged 65+ with intensive care needs receiving personal care at home (Rate per 1000</p>		

Aspect	Characteristics include...	Evidence (key facts / links to web pages)	Summary judgement	Rating
	Social Services Council standard.	population)). The Expenditure on Adult Social Care Services in Scotland 2003-04 to 2013-14 report is a national report with no local data.		
	2.3.c. PPR includes commentary on the integration of adult health and social care and other relevant policy developments, eg Self-Directed Support.	Yes, a Self-Directed support indicator is included in the Social and Community Services KPI progress report. References are included to integration in the KPI report. There are also references to the health and social care integration and self-directed support in the PPR calendar.		
	2.3.d. PPR has clear links to higher-level strategic themes in the SOA and/or CPP plan/strategy	No reference to the SOA in the reviewed reports. The KPI report links to higher themes in council's strategies.		
2.4 Criminal justice social work <ul style="list-style-type: none"> • Criminal justice • Community payback orders • Reconviction rates • Child reporting • Young offenders • Probation orders • Payback orders 	2.4.a. A range of PPR info gives a broad overview of performance.	The Criminal Justice Social Work page contains links to the PPR calendar 2015, service business plan progress reports, the Northern Community Justice website and links to the relevant Scottish Government pages on reconviction rates and crime and justice.	There are a few links on the council page, but no 2013/14 performance information.	AFI
2.4.b. PPR includes local indicators that give a full picture, eg on: <ul style="list-style-type: none"> • no. of community payback orders started <7 working days • % of community payback orders successfully completed • reconviction rates. 	Unable to find any performance info in the documents provided on the website. Two relevant indicators in the SOA Measuring Success 2013/14 report, but no data for 2013/14 are provided.			
2.4.c. PPR has clear links to higher-level strategic themes in the SOA and/or CPP plan/strategy	There are a few references in the PPR calendar, connecting to aspirations and local outcomes.			

Aspect	Characteristics include...	Evidence (key facts / links to web pages)	Summary judgement	Rating
2.5 Cultural & community services <ul style="list-style-type: none"> Community access Satisfaction survey Cultural heritage Learning centres 	2.5.a. A range of PPR info gives a broad overview of performance.	The Culture and Community Services page contains links to the PPR calendar 2015, service business plan progress reports, a link to the performance report on culture and leisure services, social media pages to relevant services and other info pages.	The website contains a lot of information on cultural and community services, but no local indicators with trend data are provided in any of the reviewed reports.	AFI
	2.5.b. PPR includes local indicators that give a full picture, eg on: <ul style="list-style-type: none"> cost per attendance at a sport/leisure facility service user satisfaction specific improvement commitments/ actions. 	<p>The 2010-2014 Culture and Leisure Performance Report is an extract of the LGBF report. Trend data and comparisons with Scottish average are included, but no supporting narrative. No additional local indicators included. A few indicators are included in the PPR calendar. No trend data.</p> <p>The SOA Measuring Success 2013/14 report contains one indicator on volunteering, but no 2013/14 data are provided.</p>		
	2.5.c. PPR has clear links to higher-level strategic themes in the SOA and/or CPP plan/strategy.	There are a few references in the PPR calendar, so performance info linked to corporate aspirations and target local outcomes.		
2.6 Education of children <ul style="list-style-type: none"> Young people Attainment School inspections School leaver Education cost School survey Exclusion Attendance +ve destinations School meals Eco schools Special education 	2.6.a. A range of PPR info gives a broad overview of performance.	The performance page for the Education of Children contains links to the PPR calendar 2015, service business plan progress reports, the 2010-2014 Children's Services Performance Report, and the Chief Social Worker's report.	The website contains a lot of information on the education of children, but no local indicators with trend data are provided in any of the reviewed reports. The PPR calendar provides broadly sufficient information on this area.	AFI
	2.6.b. PPR includes local indicators that give a full picture, eg on: <ul style="list-style-type: none"> Education Scotland inspection results and satisfaction info SQA/SCQF attainment levels. 	<p>The 2010-2014 Children's Services Performance Report is an extract of the LGBF report. Trend data and comparisons with Scottish average are included, but no supporting narrative. No additional local indicators feature. A few indicators are included in the PPR calendar, but no trend data.</p> <p>The Chief Social Work Officer report 2013/14 contains contextual information, but there are no indicators in the report</p> <p>A lot of contextual info and performance data (presented as infographics, are featured but no trend data are available for any indicators in the PPR calendar.</p> <p>The SOA Measuring Success 2013/14 report contains two relevant indicators (eg school leavers positive and sustained destinations), but 2013/14 data are provided for only one of</p>		

Aspect	Characteristics include...	Evidence (key facts / links to web pages)	Summary judgement	Rating
		them.		
	2.6.c. PPR has clear links to higher-level strategic themes in the SOA and/or CPP plan/strategy	References are made in the PPR calendar, linking performance to the council's aspirations and local outcomes.		
2.7 Housing & homelessness <ul style="list-style-type: none"> • Homeless • House repair • Domestic noise • House building • Affordable homes • Rent arrears • Scottish Housing Quality Survey • Building investment • Energy efficiency 	2.7.a. A range of PPR info gives a broad overview of performance.	The Housing and Homelessness page links to the Homeless Annual report, Housing Services page, and local strategy housing review documents.	The Homelessness Annual report 2013/14 and the PPR calendar jointly provide sufficient coverage of this aspect.	YES
	2.7.b. PPR includes local indicators that give a full picture, eg on: <ul style="list-style-type: none"> • rent arrears • energy efficiency • house building rates • affordable homes • homelessness • tenant engagement. 	<p>The Housing Services page contains a table with a selected number of performance indicators (including a local one) with trend data and targets. Some data are missing.</p> <p>The Homelessness Annual Report 2013/14 includes a number of indicators (some of them locally developed) along with trend data and supportive narrative.</p> <p>References to homelessness are made in the PPR calendar and a few indicators included with (infographics).</p>		
	c. PPR has clear links to higher-level strategic themes in the SOA and/or CPP plan/strategy	References are made in the PPR calendar, linking performance to the council's aspirations and local outcomes.		
2.8 Planning <ul style="list-style-type: none"> • Planning applications • Building warrants • Use of land • Building standards 	2.8.a. A range of PPR info gives a broad overview of performance.	The Planning page contains links to the PPR calendar, the council's annual report, planning stats on the Scottish Government website, customer satisfaction survey and levels, the building standard scorecard and other related pages.	The reports included on the website provide sufficient information on the council's performance on this aspect.	YES
	2.8.b. PPR includes local indicators that give a full picture, eg on: <ul style="list-style-type: none"> • the council's aims • service costs • customer satisfaction. 	<p>One indicator is mentioned in the PPR calendar (with infographics).</p> <p>The Planning Performance Framework Annual Report 2013/14 has indicators and contextual info (trends provided for 2012/13). The Planning Performance Framework Feedback report provides additional info on performance in this area.</p> <p>The Building Standards performance indicators report includes</p>		

Aspect	Characteristics include...	Evidence (key facts / links to web pages)	Summary judgement	Rating
		<p>local indicators and data for 2012/13 and 2013/14.</p> <p>Survey results are published on the website, but there is no info on what the council is planning to do as a result of the feedback received. However, the Balanced Scorecard for 2014/15 provides additional info on the progress of key actions.</p>		
<p>2.9 Protective services</p> <ul style="list-style-type: none"> • Protective services • Environment • Trading Standards • Food safety • Pest control • Food hygiene • Noise complaints • Flood alleviation 	<p>2.9.a. A range of PPR info gives a broad overview of performance.</p> <hr/> <p>2.9.b. PPR includes local indicators that give a full picture, eg on:</p> <ul style="list-style-type: none"> • food safety • pest control • flood alleviation • customer satisfaction. <hr/> <p>2.9.c. PPR has clear links to higher-level strategic themes in the SOA and/or CPP plan/strategy.</p>	<p>The Protective Services page contains links to the Consumer and Environmental Services Monitoring reports, the annual review report, the PPR calendar, social media, and the LGBF report, and the press releases.</p> <hr/> <p>Noise complaints indicators (without trend data) are included in the PPR calendar. The LGBF report contains no local indicators and no supporting narrative. Most indicators in this report refer to Waste Management. Quarterly reports provide info and data, but no trends. The Service Plan 2012/13 Review contains some trend data for a few indicators, including food safety inspections.</p> <hr/> <p>References are made in the PPR calendar, linking performance to the council's aspirations and local outcomes.</p>	<p>Documents on the website give insufficient performance information. No local indicators with trend or comparative information are provided for this aspect.</p>	<p>AFI</p>
<p>2.10 Roads & lighting</p> <ul style="list-style-type: none"> • Roads • Lighting • Cost of repairs • Road resurfacing • Road satisfaction 	<p>2.10.a. A range of PPR info gives a broad overview of performance.</p> <hr/> <p>2.10.b. PPR includes local indicators that give a full picture, eg on:</p> <ul style="list-style-type: none"> • traffic light failure repairs • winter maintenance works completed in target time period • % of road network resurfaced. 	<p>The Roads and Lighting page contains links to the PPR calendar 2015, service business plan progress reports, and a number of transport and street lighting documents.</p> <hr/> <p>A few roads indicators are included in the PPR calendar.</p> <p>No performance info is found in the documents provided on the web page.</p>	<p>Apart from a few reference in the PPR calendar, no other performance info is available on the website.</p>	<p>AFI</p>

Aspect	Characteristics include...	Evidence (key facts / links to web pages)	Summary judgement	Rating
	2.10.c. PPR has clear links to higher-level strategic themes in the SOA and/or CPP plan/strategy	References are made in the PPR calendar, linking performance to the council's aspirations and local outcomes.		
2.11 Waste management <ul style="list-style-type: none"> Waste collection Waste recycling Missed collections Landfill Satisfaction survey Complaints 	2.11.a. A range of PPR info gives a broad overview of performance.	The Waste Management Services page contains links to the PPR calendar 2015, service business plan progress reports, and waste documents. The LGBF profile link does not work.	Apart from a few reference in the PPR calendar, no other performance info is available on the website.	AFI
	2.11. b. PPR includes local indicators that give a full picture, eg on refuse bin collection rates.	References to waste on the PPR calendar and a few indicators included. No other performance info is available in the documents provided on the page.		
	2.11.c. PPR has clear links to higher-level strategic themes in the SOA and/or CPP plan/strategy	References are made in the PPR calendar, linking performance to the council's aspirations and local outcomes.		
3. SPI 3. Each council will report its performance in accordance with the requirements of the Local Government Benchmarking Framework (LGBF)				
3.1 LGBF <ul style="list-style-type: none"> Framework Benchmarking Service Performance 	3.1.a. The council reports its performance against the performance indicators in the LGBF.	Yes	There is a link from the main PPR page to the LGBF page on the council's website. The page contains links to individual reports, LGBF dashboard and Family Groups Performance Graphs report.	YES
	3.1.b. The council reports its performance at mylocalcouncil	Yes		
4. OVERALL				
4.1 Structured approach to PPR, with clear presentation of information	4.1.a. PPR info is linked directly from website's Home page.	From Home > Council and democracy > Council performance Performance pages can also be found using the A to Z function or search box.	The council provides its information in a structured and clear manor so that the relevant information needed was accessible.	YES
	4.1.b. There is a coherent look & feel to how info is presented and structured.	Yes – the info is presented in tables and narrative that follow a coherent form from indicator to indicator. Performance pages can also be found using the A to Z function or search box.		

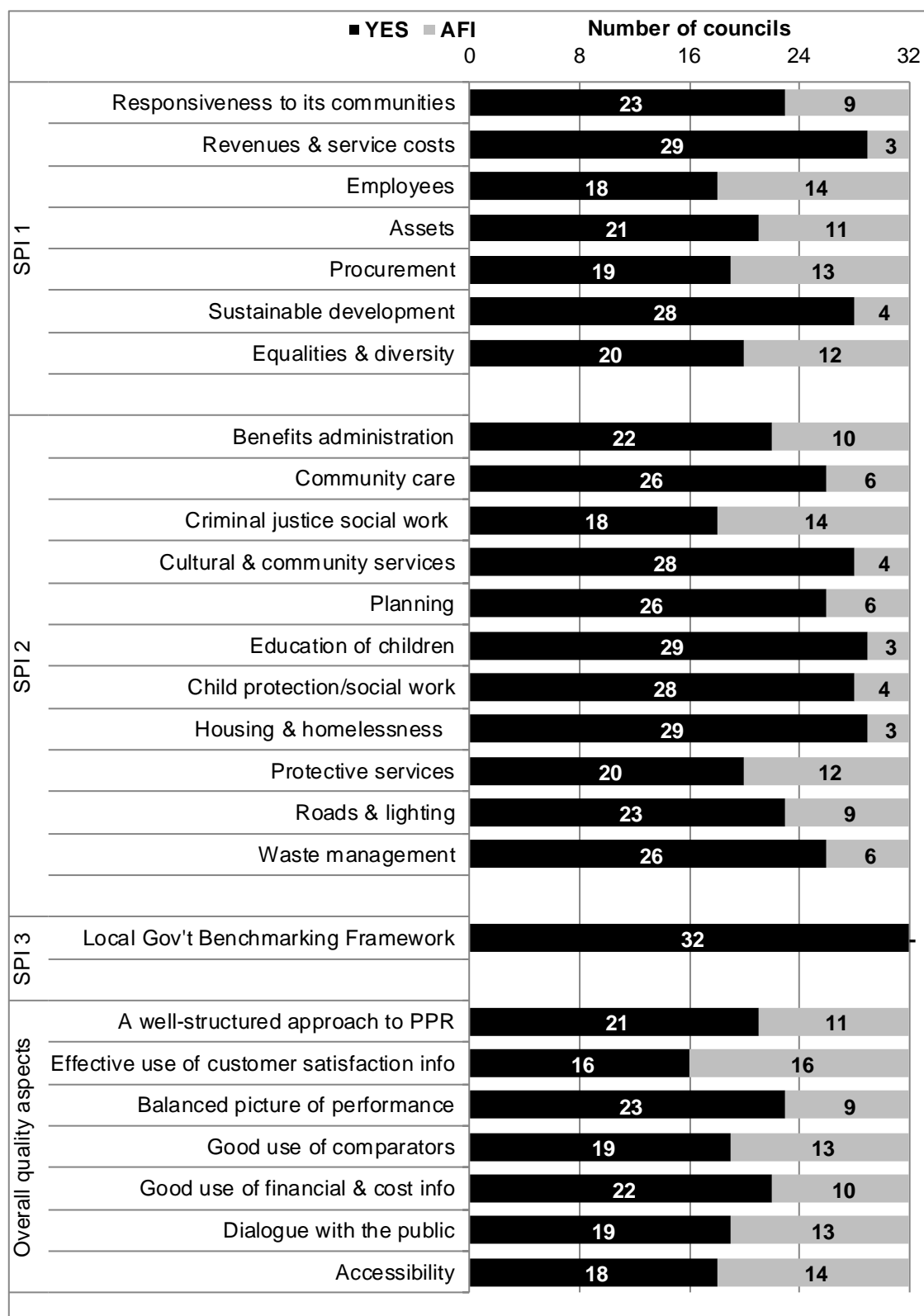
Aspect	Characteristics include...	Evidence (key facts / links to web pages)	Summary judgement	Rating
	4.1.c. There is a high-level summary on the council's overall performance.	Yes – provided in the annual performance report , which outlines the overall performance of the council.		
	4.1.d. There is clear layering and signposting of info, which is easy for the reader to navigate.	Yes – the council's website is clear and easy to navigate, with clear labels for the different tabs.		
	4.1.e. There is relevant explanatory narrative, which is in Plain English	Yes – explanatory text was found in the annual performance report that described what was seen in the table in the SPIs		
	4.1.f. There are supporting, informative graphics, eg charts, tables, and diagrams.	Yes – there were tables that laid out the info, but there was a lack of infographics.		
	4.1.g. Web links to other PPR info work.	Yes – all the links tried worked.		
	4.1.h The council reports on additional indicators that contribute to an overall view of their performance.	Yes – some local indicators mentioned in the Annual performance report as contributing to the council's overall performance.		
4.2 Effective use of customer satisfaction information	4.2.a. PPR explains consultations and/or satisfaction surveys carried out, and specify the findings.	Yes – as seen with the info in section 1.1, the council carries out surveys. Also through the additional papers and key documents that the council provides with the SPIs the public can gain a greater explanation into results and findings.	There is evidence of customer satisfaction information being gathered and utilised by the council.	YES
	4.2.b. PPR explains what the council is doing as a result of feedback.	Yes – see section 1.1. There is a paper on the complaints info received and what the council does about it.		
4.3 Balanced picture of performance	4.3.a. The council presents a balanced picture of performance.	Yes – the council presents indicators that tell a balanced a good and a bad story.	The council provides the public with a balanced picture of its performance.	YES
	4.3.b. Traffic light-style colours or symbols give a helpful overview.	Arrows are used to highlight which indicators are performing well and those which have seen a decrease in performance.		

Aspect	Characteristics include...	Evidence (key facts / links to web pages)	Summary judgement	Rating
	4.3.c. Priorities for improvement by the council is clear to the reader.	Through the narrative, it is clear to the reader which topics need the most work.		
4.4 Good use of comparators	4.4.a. Performance is set in context using comparators and trends.	Yes – the narratives used to describe the performance of the council make use of time periods to explain trends and patterns in the council	The council uses comparators and trends through out its performance pages, and makes comparisons with family-group councils, where possible.	YES
	4.4.b. Trends are included for all council indicators, as appropriate.	Yes – the council’s indicators are set out in tables that include previous years’ data.		
	4.4.c. There are meaningful comparisons with other councils, eg in family groups, and overall.	Family groups were observed once in this assessment, and the narrative describes collaborative work with surrounding councils to ensure that services are offered at the most efficient price.		
4.5 Good use of financial and cost information	4.5.a. PPR features the costs and other financial aspects of service delivery.	Yes – in a number of indicators, the cost per individual is quoted. Eg, for education, there is a cost per pupil and in community care, there is a cost for each hour of care received.	The council utilises financial costs effectively to demonstrate to the significance of the different indicators and there impact on the council’s budget	YES
	4.5.b. Financial info is well structured and clearly presented.	Yes – it is easy to understand how the numbers relate year-to-year.		
	4.5.c. There is info on services’ unit costs, eg £ per primary school pupil.	Yes – See 4.5a		
	4.5.d. PPR includes info on the council’s budgets for major services.	Within the Annual performance report there are tables showing the costs of the major service groups.		
	4.5.e. Plain language explains the figures.	There is good use of narrative about figures in the Annual performance report , informing the reader of the meaning of the figures.		

Aspect	Characteristics include...	Evidence (key facts / links to web pages)	Summary judgement	Rating
4.6 Dialogue with the public	4.6.a. The council has consulted the public on what it wants from PPR.	No evidence of the council collecting direct feedback on PPR, but it does offer the over the public the opportunity to provide overall feedback, and this could incorporate PPR feedback.	The council offers the public opportunity to give feedback, although it does not necessarily ask for PPR feedback. It also provides links to social media, but how it uses social media to inform its approach to PPR is unclear	YES
	4.6.b. The council uses social media to engage the public and have a dialogue on performance.	Yes – links at the bottom of each council web page take the reader to media such as Facebook and Twitter. However, how it uses social media to shape PPR is unclear. For example, the Twitter feed carries news snippets but no information on the council's Twitter policy is listed under T in the A-Z toolbar.		
4.7 Accessibility	4.7.a. PPR features a range of outputs that target specific audiences.	The range of outputs is thorough and can be used by diverse audiences.	The council offers a range of outputs, but options for viewing them in other languages and in other document formats are unclear.	AFI
	4.7.b. Info is available in different languages, on request.	Not evidenced.		
	4.7c. Printed info is available on request.	Not evidenced.		

Appendix 3. Overview of 2015 PPR assessments – by SPI theme

Councils' PPR performance varied widely among the themes in SPI, SPI 2, and the overall quality aspects



Appendix 4. Councils' PPR performance

	Yes	AFI
SPI 1. Corporate management		
Responsiveness to its communities	Aberdeenshire, Angus, Clackmannanshire, Dundee City, East Ayrshire, East Lothian, East Renfrewshire, City of Edinburgh, Eilean Siar, Falkirk, Fife, Highland, Inverclyde, Midlothian, Moray, North Ayrshire, North Lanarkshire, Scottish Borders, Shetland Islands, South Lanarkshire, Stirling, West Dunbartonshire, West Lothian.	Aberdeen City, Argyll & Bute, Dumfries & Galloway, East Dunbartonshire, Glasgow City, Orkney Islands, Perth & Kinross, Renfrewshire, South Ayrshire.
Revenues & service costs	Aberdeenshire, Angus, Argyll & Bute, Clackmannanshire, Dumfries & Galloway, East Ayrshire, East Dunbartonshire, East Lothian, East Renfrewshire, City of Edinburgh, Eilean Siar, Falkirk, Fife, Glasgow City, Highland, Inverclyde, Midlothian, Moray, North Ayrshire, North Lanarkshire, Orkney Islands, Perth & Kinross, Renfrewshire, Scottish Borders, South Ayrshire, South Lanarkshire, Stirling, West Dunbartonshire, West Lothian.	Aberdeen City, Dundee City, Shetland Islands.
Employees	Aberdeenshire, Angus, Clackmannanshire, Dumfries & Galloway, East Ayrshire, East Lothian, East Renfrewshire, City of Edinburgh, Fife, Highland, Inverclyde, Moray, North Lanarkshire, Orkney Islands, Perth & Kinross, Stirling, West Dunbartonshire.	Aberdeen City, Argyll & Bute, Dundee City, East Dunbartonshire, Eilean Siar, Falkirk, Glasgow City, Midlothian, North Ayrshire, Renfrewshire, South Ayrshire, Scottish Borders, Shetland Islands, West Lothian.
Assets	Aberdeenshire, Angus, Clackmannanshire, Dundee City, East Ayrshire, East Dunbartonshire, East Renfrewshire, City of Edinburgh, Eilean Siar, Fife, Midlothian, Moray, North Ayrshire, Orkney Islands, Perth & Kinross, Shetland Islands, South Ayrshire, South Lanarkshire, Stirling, West Dunbartonshire, West Lothian.	Aberdeen City, Argyll & Bute, Dumfries & Galloway, East Lothian, Falkirk, Glasgow City, Highland, Inverclyde, North Lanarkshire, Renfrewshire, Scottish Borders.
Procurement	Angus, Clackmannanshire, Dundee City, East Ayrshire, East Dunbartonshire, City of Edinburgh, Eilean Siar, Falkirk, Fife, Inverclyde, Moray, North Ayrshire, North Lanarkshire, Perth & Kinross, Scottish Borders, Shetland Islands, South Lanarkshire, West Dunbartonshire, West Lothian.	Aberdeen City, Aberdeenshire, Argyll & Bute, Dumfries & Galloway, East Lothian, East Renfrewshire, Glasgow City, Highland, Midlothian, Orkney Islands, Renfrewshire, South Ayrshire, Stirling.

	Yes	AFI
Sustainable development	Aberdeenshire, Angus, Clackmannanshire, Dundee City, Dumfries & Galloway, East Ayrshire, East Dunbartonshire, East Lothian, East Renfrewshire, City of Edinburgh, Eilean Siar, Falkirk, Fife, Glasgow City, Highland, Midlothian, Moray, North Ayrshire, North Lanarkshire, Orkney Islands, Perth & Kinross, Renfrewshire, Scottish Borders, South Ayrshire, South Lanarkshire, Stirling, West Dunbartonshire, West Lothian.	Aberdeen City, Argyll & Bute, Inverclyde, Shetland Islands.
Equalities and diversity	Angus, Argyll & Bute, Clackmannanshire, East Ayrshire, East Dunbartonshire, East Lothian, East Renfrewshire, Eilean Siar, Fife, Inverclyde, Midlothian, Moray, North Lanarkshire, Orkney Islands, Perth & Kinross, Scottish Borders, Shetland Islands, South Lanarkshire, Stirling, West Dunbartonshire,	Aberdeen City, Aberdeenshire, Dundee City, Dumfries & Galloway, City of Edinburgh, Falkirk, Glasgow City, Highland, North Ayrshire, Renfrewshire, South Ayrshire, West Lothian,
SPI 2. Service performance		
Benefits administration	Aberdeenshire, Angus, Argyll & Bute, Dundee City, Dumfries & Galloway, East Ayrshire, East Dunbartonshire, East Lothian, East Renfrewshire, City of Edinburgh, Fife, Inverclyde, Midlothian, Moray, North Ayrshire, Orkney Islands, Perth & Kinross, Renfrewshire, South Lanarkshire, Stirling, West Dunbartonshire, West Lothian.	Aberdeen City, Clackmannanshire, Eilean Siar, Falkirk, Glasgow City, Highland, North Lanarkshire, South Ayrshire, Scottish Borders, Shetland Islands.
Community care	Aberdeenshire, Angus, Argyll & Bute, Dumfries & Galloway, East Ayrshire, East Dunbartonshire, East Lothian, East Renfrewshire, City of Edinburgh, Fife, Glasgow City, Inverclyde, Midlothian, Moray, North Ayrshire, North Lanarkshire, Orkney Islands, Perth & Kinross, Renfrewshire, Scottish Borders, Shetland Islands, South Ayrshire, South Lanarkshire, Stirling, West Dunbartonshire, West Lothian.	Aberdeen City, Clackmannanshire, Dundee City, Eilean Siar, Falkirk, Highland.
Criminal justice social work	Aberdeenshire, Angus, Argyll & Bute, Dundee City, East Ayrshire, East Dunbartonshire, East Lothian, City of Edinburgh, Fife, Inverclyde, Glasgow City, Midlothian, North Ayrshire, Orkney Islands, Perth & Kinross, Renfrewshire, West Dunbartonshire, West Lothian.	Aberdeen City, Clackmannanshire, Dumfries & Galloway, East Renfrewshire, Eilean Siar, Falkirk, Highland, Moray, North Lanarkshire, Scottish Borders, Shetland Islands, South Ayrshire, South Lanarkshire, Stirling.

	Yes	AFI
Cultural & community services	Aberdeen City, Aberdeenshire, Angus, Argyll & Bute, Clackmannanshire, Dundee City, Dumfries & Galloway, East Ayrshire, East Dunbartonshire, East Lothian, East Renfrewshire, City of Edinburgh, Falkirk, Fife, Glasgow City, Highland, Inverclyde, Midlothian, Moray, North Ayrshire, North Lanarkshire, Orkney Islands, Perth & Kinross, Renfrewshire, South Lanarkshire, West Dunbartonshire, Stirling, West Lothian.	Eilean Siar, Scottish Borders, Shetland Islands, South Ayrshire.
Planning	Aberdeenshire, Angus, Clackmannanshire, Dundee City, Dumfries & Galloway, East Ayrshire, East Dunbartonshire, East Lothian, East Renfrewshire, Eilean Siar, Falkirk, Fife, Glasgow City, Inverclyde, Midlothian, Moray, North Ayrshire, North Lanarkshire, Orkney Islands, Perth & Kinross, Scottish Borders, Shetland Islands, South Ayrshire, South Lanarkshire, Stirling, West Lothian.	Aberdeen City, Argyll & Bute, City of Edinburgh, Highland, Renfrewshire, West Dunbartonshire.
The education of children	Aberdeen City, Aberdeenshire, Angus, Argyll & Bute, Clackmannanshire, Dumfries & Galloway, East Ayrshire, East Dunbartonshire, East Lothian, East Renfrewshire, City of Edinburgh, Eilean Siar, Falkirk, Fife, Glasgow City, Inverclyde, Midlothian, Moray, North Ayrshire, North Lanarkshire, Orkney Islands, Perth & Kinross, Renfrewshire, Scottish Borders, South Ayrshire, South Lanarkshire, Stirling, West Dunbartonshire, West Lothian.	Dundee City, Highland, Shetland Islands.
Child protection & children's social work	Aberdeenshire, Angus, Argyll & Bute, Dundee City, Dumfries & Galloway, East Ayrshire, East Dunbartonshire, East Lothian, East Renfrewshire, City of Edinburgh, Falkirk, Fife, Glasgow City, Inverclyde, Midlothian, Moray, North Ayrshire, North Lanarkshire, Orkney Islands, Perth & Kinross, Renfrewshire, South Ayrshire, Scottish Borders, Shetland Islands, South Lanarkshire, Stirling, West Dunbartonshire, West Lothian.	Aberdeen City, Clackmannanshire, Eilean Siar, Highland.

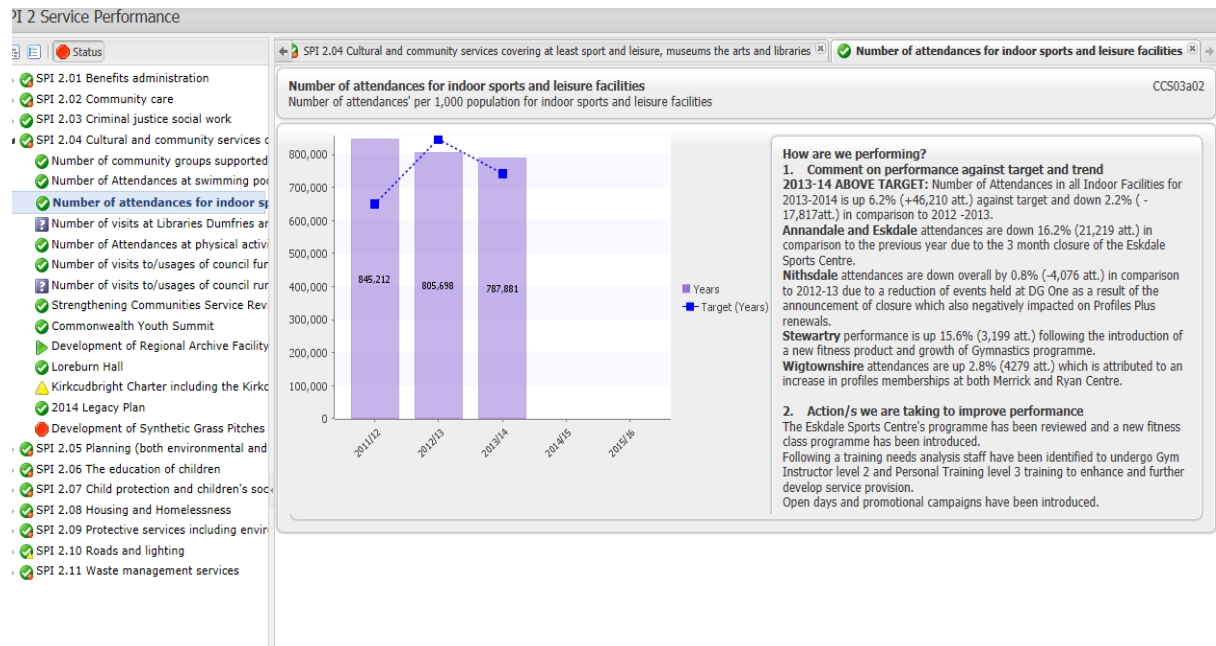
	Yes	AFI
Housing & homelessness	Aberdeen City, Aberdeenshire, Angus, Dundee City, Dumfries & Galloway, East Ayrshire, East Dunbartonshire, East Lothian, East Renfrewshire, City of Edinburgh, Eilean Siar, Falkirk, Fife, Glasgow City, Highland, Inverclyde, Midlothian, Moray, North Ayrshire, North Lanarkshire, Perth & Kinross, Renfrewshire, Scottish Borders, Shetland Islands, South Ayrshire, South Lanarkshire, Stirling, West Dunbartonshire, West Lothian.	Argyll & Bute, Clackmannanshire, Orkney Islands.
Protective services	Aberdeenshire, Angus, Argyll & Bute, Dundee City, Dumfries & Galloway, East Ayrshire, East Dunbartonshire, East Lothian, East Renfrewshire, Fife, Inverclyde, Midlothian, Moray, North Ayrshire, North Lanarkshire, Perth & Kinross, Shetland Islands, South Lanarkshire, Stirling, West Lothian.	Aberdeen City, Clackmannanshire, City of Edinburgh, Eilean Siar, Falkirk, Glasgow City, Highland, Orkney Islands, Renfrewshire, Scottish Borders, South Ayrshire, West Dunbartonshire.
Roads and lighting	Aberdeenshire, Angus, Argyll & Bute, Dumfries & Galloway, East Ayrshire, East Dunbartonshire, East Lothian, East Renfrewshire, City of Edinburgh, Fife, Glasgow City, Highland, Inverclyde, Midlothian, Moray, North Ayrshire, North Lanarkshire, Perth & Kinross, Renfrewshire, Scottish Borders, South Lanarkshire, Stirling, West Lothian.	Aberdeen City, Clackmannanshire, Dundee City, Eilean Siar, Falkirk, Orkney Islands, Shetland Islands, South Ayrshire, West Dunbartonshire.
Waste management	Aberdeen City, Aberdeenshire, Angus, Clackmannanshire, Dumfries & Galloway, East Ayrshire, East Dunbartonshire, East Lothian, East Renfrewshire, City of Edinburgh, Fife, Glasgow City, Inverclyde, Midlothian, Moray, North Ayrshire, North Lanarkshire, Orkney Islands, Perth & Kinross, Renfrewshire, Scottish Borders, South Ayrshire, South Lanarkshire, Stirling, West Dunbartonshire, West Lothian.	Argyll & Bute, Dundee City, Eilean Siar, Falkirk, Highland, Shetland Islands.
SPI 3. Solace benchmark framework / Local Government Benchmarking Framework		
LGBF	All councils	No councils
Overall quality themes		
A well-structured approach to PPR	Aberdeenshire, Angus, Clackmannanshire, Dumfries & Galloway, East Ayrshire, East Dunbartonshire, East Lothian, East Renfrewshire, City of Edinburgh, Fife, Highland, Inverclyde, Moray, North Ayrshire, North Lanarkshire, Perth & Kinross, Renfrewshire, Scottish Borders, South Lanarkshire, Stirling, West Dunbartonshire,	Aberdeen City, Argyll & Bute, Dundee City, Eilean Siar, Falkirk, Glasgow City, Midlothian, Orkney Islands, Shetland Islands, South Ayrshire, West Lothian,

	Yes	AFI
Effective use of customer satisfaction info	Aberdeenshire, Clackmannanshire, East Dunbartonshire, East Lothian, East Renfrewshire, Falkirk, Fife, Highland, Inverclyde, Moray, North Ayrshire, North Lanarkshire, Perth & Kinross, Stirling, West Dunbartonshire, West Lothian,	Aberdeen City, Angus, Argyll & Bute, Dumfries & Galloway, Dundee City, East Ayrshire, City of Edinburgh, Eilean Siar, Glasgow City, Midlothian, Orkney Islands, Renfrewshire, Scottish Borders, Shetland Islands, South Ayrshire, South Lanarkshire,
Balanced picture of performance	Aberdeenshire, Angus, Argyll & Bute, Clackmannanshire, Dumfries & Galloway, East Dunbartonshire, East Lothian, East Renfrewshire, Eilean Siar, Fife, Inverclyde, Midlothian, Moray, North Ayrshire, North Lanarkshire, Orkney Islands, Perth & Kinross, Renfrewshire, Scottish Borders, Shetland Islands, South Lanarkshire, Stirling, West Dunbartonshire,	Aberdeen City, Dundee City, East Ayrshire, City of Edinburgh, Falkirk, Glasgow City, Highland, South Ayrshire, West Lothian,
Good use of comparators	Aberdeen City, Aberdeenshire, Argyll & Bute, Clackmannanshire, Dumfries & Galloway, East Ayrshire, East Dunbartonshire, East Renfrewshire, Fife, Glasgow City, Inverclyde, Midlothian, Moray, North Ayrshire, North Lanarkshire, Orkney Islands, Renfrewshire, Perth & Kinross, Stirling, West Dunbartonshire,	Angus, East Lothian, Dundee City, City of Edinburgh, Eilean Siar, Falkirk, Highland, Scottish Borders, Shetland Islands, South Ayrshire, South Lanarkshire, West Lothian,
Good use of financial & cost information	Aberdeenshire, Angus, Argyll & Bute, Clackmannanshire, Dumfries & Galloway, East Ayrshire, East Lothian, East Renfrewshire, City of Edinburgh, Eilean Siar, Fife, Glasgow City, Inverclyde, Moray, North Ayrshire, North Lanarkshire, Orkney Islands, Perth & Kinross, Scottish Borders, South Ayrshire, South Lanarkshire, West Dunbartonshire,	Aberdeen City, Dundee City, East Dunbartonshire, Falkirk, Highland, Midlothian, Renfrewshire, Shetland Islands, Stirling, West Lothian,
Dialogue with the public	Aberdeen City, Angus, Clackmannanshire, East Ayrshire, East Renfrewshire, Eilean Siar, Falkirk, Fife, Glasgow City, Highland, Inverclyde, North Lanarkshire, Perth & Kinross, Renfrewshire, Scottish Borders, Shetland Islands, Stirling, West Dunbartonshire, West Lothian,	Aberdeenshire, Argyll & Bute, Dumfries & Galloway, Dundee City, East Dunbartonshire, East Lothian, City of Edinburgh, Midlothian, Moray, North Ayrshire, Orkney Islands, South Ayrshire, South Lanarkshire,
Accessibility	Aberdeen City, Angus, Argyll & Bute, Clackmannanshire, Dumfries & Galloway, East Ayrshire, East Dunbartonshire, East Lothian, East Renfrewshire, Fife, Glasgow City, North Ayrshire, Orkney Islands, Perth & Kinross, Scottish Borders, South Ayrshire, South Lanarkshire, Stirling, West Dunbartonshire,	Aberdeenshire, Dundee City, City of Edinburgh, Eilean Siar, Falkirk, Highland, Inverclyde, Midlothian, Moray, North Lanarkshire, Shetland Islands, West Lothian,

Appendix 5. Examples of good practice

Structured approach

Dumfries and Galloway Council presents its performance indicator information in a coherent manner using a database system. A wide range of indicators is easily accessible by following the information tree to the end point for the indicator of interest. Each indicator is then presented in a similar fashion with graphs and tables as well as narrative on 'How we are performing' that provides a further description with a 'Comment on progress' and 'Action/s we will take'.



Fife Council uses mini-sites for each SPI theme. The sites contain a list of indicators including trend data, targets and trend arrows.

Please click on the publications at the end of this page for information on the broader range of performance indicators.

Click on the headings below to view performance information and reports:

SPI 2 - Service

- Benefits Administration
- Community Care
- Criminal Justice
- Cultural and Community Services
- Planning
- Education
- Child Protection/Children's Social Work
- Housing and Homelessness
- Protective Services
- Roads and Lighting
- Waste Management Services

For more information contact
Planning, Performance & Diagnostics
Tel: 03451 55 55 55 44 09 87 Fax: 01592 583527 [Contact Planning, Performance & Diagnostics online](#)

Effective use of customer satisfaction information

West Dunbartonshire Council publishes the Citizens' Panel annual newsletter to inform the public on how services are using the feedback members of the public have provided in surveys and focus groups to improve levels of customer satisfaction. This allows the public to see what the council is doing in response to the feedback.

Feedback
West Dunbartonshire Citizens' Panel
Annual Newsletter Summer 14

COMMUNITY PLANNING
WEST DUNBARTONSHIRE

West
Dunbartonshire
COUNCIL

CITIZENS' PANEL ANNUAL UPDATE

This annual newsletter tells you how services are using the feedback you have provided in surveys and focus groups over the last year and some of the changes made, based on what you've told us.

As usual, most surveys cover more than one subject. During 2013-14, we have sent you surveys on a range of topics including:

- **Community Safety Survey/Town Centres/Alcohol and Substance Misuse:** Community Safety and related topics.
- **Older People's Services/Measures of Satisfaction/Panel Feedback/Levensgrove Park:** A range of services for older people; some key measures of satisfaction on aspects of services; your views on how the Citizens' Panel is working and Levensgrove Park.
- **Health and Wellbeing and Libraries and Cultural Services:** Improving the health and wellbeing of all our citizens - a range of lifestyle factors from physical activity to what you eat and drink and libraries and cultural services.
- **Council Services, Equalities, Scottish Welfare Fund and the Community Health and Care Partnership:** Roads main tenance services, your journeys, grounds maintenance, parks and waste services; equalities issues; awareness of the Scottish Welfare Fund and the Community Health and Care Partnership.

Contents

Feedback on Citizens Panel.....	p3
Community Safety Survey/ Town Centres/ Alcohol and Substance Misuse	p3-4
Older People's Services/Measures of Satisfaction/Panel Feedback/Levensgrove Park.....	p5-7
Health and Wellbeing and Libraries and Cultural Services	p8-9
Council Services, Equalities, Scottish Welfare Fund and the Community Health and Care Partnership ...	p10-13
Equality and Fairness and the Council's Legal Compliance.....	p14-15
Contact details.....	p16

Thank You!

Continued on Page 2

South Ayrshire Council produces the Housing Newsletter which follows a user friendly format and includes key facts about the council's progress, satisfaction and feedback information, as well as the council's actions and priorities using the 'You Said, We Did' format. The information is presented using interesting infographics like charts and tables.

Satisfaction & feedback

We use Satisfaction Surveys to gather feedback from our customers and this helps us to improve and develop services for the future. These surveys were developed in consultation with tenants and give you the opportunity to tell us how well we are doing as your landlord and whether there are things that we could do better. It is important to us that we hear from as many of our customers as possible and we would encourage you to take the time to complete our surveys.

Throughout last year we issued tracker surveys to gather your feedback on key elements of service. We have discussed the feedback received at events with tenant representatives, we have included some examples of changes we have already made to how we deliver services.

In early 2014, we conducted a full comprehensive satisfaction survey by post to all tenants, 1388 tenants returned the survey, which was a response rate of 17.75%. The overall results from the survey are as follows:

Satisfaction with the overall service provided by the Council as a Landlord

- 70.7% of tenants were satisfied, compared to the Scottish average of 87.8%
- 11.9% of tenants were neither satisfied nor dissatisfied
- 16.9% of tenants were dissatisfied
- 0.5% of tenants had no opinion

How good did tenants feel we were as a Landlord, at keeping them informed about our services and decisions?

- 63.1% of tenants felt we were good, compared to the Scottish average of 88.9%
- 23.1% of tenants felt we were neither good nor poor at keeping them informed
- 13.8% of tenants felt we were poor at keeping them informed

Satisfaction with the opportunities we gave tenants to participate in our decision making processes

- 52.1% of tenants were satisfied, compared to the Scottish average of 78.4%
- 37.4% of tenants were neither satisfied nor dissatisfied
- 10.5% of tenants were dissatisfied



71.53% of tenants were satisfied with the quality of their home.



YOU SAID

Some tenants expressed concern that they did not receive enough contact from a Housing Officer during the time their home was being Modernised.

The ability to visualise a new kitchen layout and design was difficult.

The condition of gardens when properties are allocated was unacceptable.

That on occasions the wrong tradesman was sent to a repair that was reported for a shower.

You would like future repairs surveys to be analysed by town/village in order to identify any trends/issues arising by area.

You would like calling cards to be left when external repairs have been carried out and the tenant is not at home.



WE DID

We reviewed our procedures and Housing Officers will now make weekly contact with tenants, during the period that work is taking place in their home.

We have spoken with our contractor and have reached an agreement that tenants will be provided with a 3D drawing of their new kitchen layout.

We have reviewed our procedures and gardens are now inspected by the Housing Officer during the new tenancy visits. Gardens are also monitored on a regular basis by Housing Officers when they are carrying out visits within our neighbourhoods.

We have undertaken training with some of our Electricians and Plumbers in order for them to be multi-skilled when dealing with shower repairs.

We have agreed that future surveys will be analysed and reported by area to future tenant scrutiny meetings.

We have reviewed our procedures. Trades Operatives will now leave a calling card to advise tenants that external repairs have been carried out while they were not at home.

Balanced picture of performance highlighting strengths and areas for improvement

East Renfrewshire Council recognises the importance of reporting on both good and not-so-good performance. Traffic light system is used in the Annual Performance report to indicate good performance as well as areas for improvement.

People

Our employees are skilled, and supported to achieve our outcomes.

We believe that our employees are our greatest asset. In order to achieve our goal of being the best we can be, we recognise the need to invest in our people to ensure they are able to do their jobs well. This enables us to provide a more efficient service to local residents and more effectively meet our outcomes for the local area. We consult our employees annually and have in place an Employee Survey to gather feedback on working for the Council, and to identify areas staff could be better supported to improve the services they provide.



Training and Development

- 1,526 people attending corporate training courses such as customer care courses in 2013-14.
- 870 online e-learning courses were completed by employees in 2013-14, an 11% increase from 2012-13.
- Employees who began the accredited Professional Development Award in Project Management have almost completed the qualification. Eight more staff began the accreditation in late 2013.
- The percentage of staff with a Performance Review and Development plan in place has improved from 77% in 2012-13 to 81% in 2013-14 though we are not yet meeting our target of 100%.



Absence

- We are not meeting our target for absence and the current rate is 10.4 days per employee per year, against a target of 8.5 days. This is a decline in performance from 9.5 at year end 2012-13. We are working to address this and have developed a new absence management strategy as well as offering free health checks to all staff.



Employee Survey

- Survey response rate was 47.4%, a slight increase since 2012-13.
- There has been a reduction in staff who would recommend the Council as a good place to work and who know how their job contributes to the Council's objectives, largely accounted for by an increase in neither/nor responses as opposed to staff disagreeing with this. Employee survey figures will be monitored and more detailed data considered by managers to highlight and address any issues over 2014-15.

Annual Performance Report - Page 30

South Lanarkshire Council's Annual Performance Report highlights areas of achievement, areas for improvement and the council's next steps in regards to improving performance.

In addition, the 'More Choices, More Chances' and the '16+ Learning Choices' agendas will continue to be pursued as models for assisting young people to stay in learning after their 16th birthdays in order to secure long term employability prospects and prevent youth unemployment.

Achievements for 2013-14



- Over 16,000 adults were supported to engage in a range of adult learning programmes.
- The number of participants engaging in programmes of learning increased by 5%.
- South Lanarkshire Youth Council members won the Scottish final of the Money for Life Challenge with their project looking at financial literacy and numeracy.
- Over 1,100 parents have been supported to improve their literacy and numeracy skills through their participation in a range of opportunities provided by the Community Learning and Home School Partnership Teams.

Areas for improvement and action



- We will deliver services and programmes through the Community Learning and Development Partnership to further improve literacy and numeracy skills among young people and adults.

Next steps



In facing the key challenges involved in increasing involvement in lifelong learning we will:

- Increase levels of achievement through learning for young people.
- Increase levels of achievement through learning for adults: adult literacy and numeracy.
- Increase levels of achievement through 'community capacity building' which means adopting methods that will strengthen the combined skills of the community.



Link to Education of children performance at a glance report

A further 374 young people have benefited from participation in 18 literacy and numeracy programmes



Annual Performance Report

Good use of comparators

Edinburgh City Council includes the Scottish comparative statistics in the Key Fact and Figures Booklet on the performance web page.

SCOTTISH COMPARATIVE STATISTICS

Net Expenditure

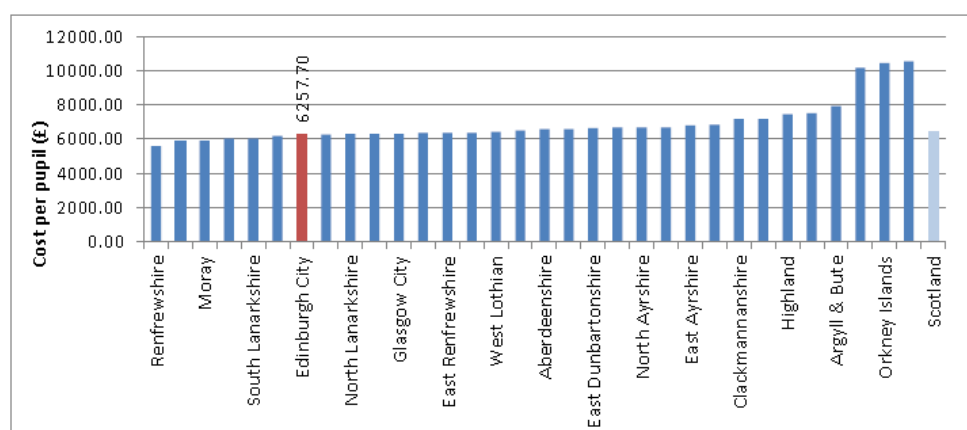
	2013-2014		2012-2013	
	Total £'000	Per head of Population £	Total £'000	Per head of Population £
Aberdeen	421,114	1,910	451,600	2,080
Dundee	331,458	2,277	374,863	2,598
Edinburgh	960,040	1,938	1,047,380	2,155
Glasgow	1,493,627	2,494	1,555,220	2,623
	<u>3,206,239</u>	<u>2,196</u>	<u>3,429,063</u>	<u>2,381</u>

Total Revenue Funding from Scottish Government

	2013-2014		2012-2013	
	Total £'000	Per head of Population £	Total £'000	Per head of Population £
Aberdeen	320,420	1,454	365,674	1,684
Dundee	285,017	1,958	316,396	2,193
Edinburgh	731,242	1,476	818,726	1,684
Glasgow	1,240,022	2,071	1,386,067	2,338
	<u>2,576,701</u>	<u>1,765</u>	<u>2,886,863</u>	<u>2,004</u>

Moreover, **Edinburgh City Council's** LGBF Children's services report includes meaningful comparisons with other councils and the Scottish average. These are supported with contextual narrative.

How much does my Council spend on secondary pupils?

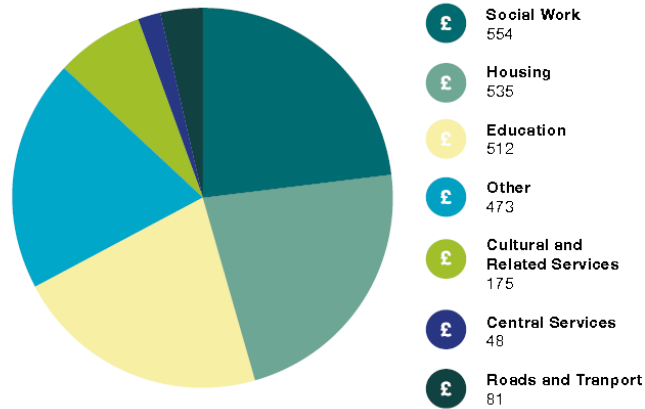


Source: Improvement Service, Local Government Benchmarking Framework 2013/14

Effective use of financial and cost information

Glasgow City Council's Annual Performance Report has a breakdown of spend by service and how each £1 of Council Tax is spent.

TOTAL SPEND BY SERVICE
£ millions

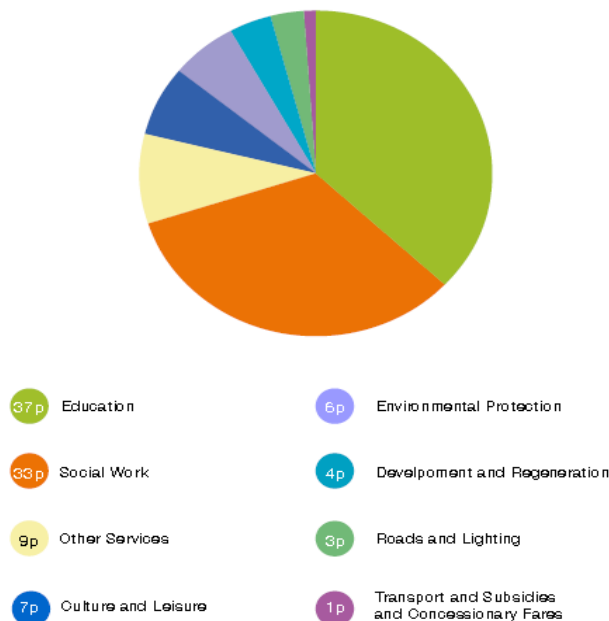


To deliver these services, we spent the following:

Employee costs	£679 million	28%
Financing Costs	£101 million	4%
Third-party payments	£632 million	26%
Transfer payments	£505 million	23%
Premises	£87 million	4%
Supplies	£218 million	9%
Transport	£70 million	3%
Other	£86 million	4%

This diagram shows how we spent the money we collected from Council Tax in 2013/14. Some services we pay for are provided by other organisations, such as Police Scotland and Scottish Fire and Rescue.

WE SPEND EACH £1 OF COUNCIL TAX ON



Dialogue with the public

Aberdeen City Council uses an online questionnaire to ask the public for their views on the council's approach to public performance reporting.

Tell us what you think - Performance Report form

We would like to hear your views on our performance report. This short questionnaire gives you an opportunity to tell us what you think. We would be grateful if you could take some time to complete:

* Indicates required information

Did you...

- find Aberdeen Performs easy to navigate?

Yes No

- understand the information?

Yes No

- feel the site offers the information about our services and functions which you are interested in?

Yes No

- get a clear picture of our performance?

Yes No

If you answered 'No' to any of the above, please tell us why:



Perth and Kinross Council uses social media, e.g. Twitter, for public performance reporting by publishing statistics under a dedicated hashtag #pkperforms.

Perth&KinrossCouncil @PerthandKinross · Apr 8
Our recycling & composting rates remain amongst Scotland's highest, with overall recycling in 2013/14 reaching 52% #pkperforms

Perth&KinrossCouncil @PerthandKinross · Apr 2
Our prevention focus has reduced homeless applications from households by 16% and from young people by 16% over the past 3 years #pkperforms

RETWEETS 2 FAVOURITES 2

11:52 am - 2 Apr 2015 · Details

Perth&KinrossCouncil @PerthandKinross · Mar 25
pkc.gov.uk/businesssupport with our support 314 new businesses started in 2013/14 and 541 jobs were created. #pkperforms

Accessibility

Eilean Siar uses infographics in the Public Performance Calendar, which makes complex information engaging and accessible.



Argyll and Bute Council produces the Annual Performance report which is available in different formats and languages on request.

If you would like this document in another language, Braille or easy-read format, or if you require the services of an interpreter, please contact us.

Ma tha sibh ag iarraidh an sgrìobhainn seo ann an cànan no riochd eile, no ma tha sibh a' feumachdainn seirbheis eadar, feuch gun leig sibh fios thugainn.

Jezeli chcieliby Państwo otrzymaO ten dokument w innym języku lub w innym formacie albo jeeli potrzebna jest pomoc Uumacza, to prosimy o kontakt z nami.

यह दस्तावेज़ यदि आपको किसी अन्य भाषा या अन्य रूप में चाहिये, या आपको आनुवाद-सेवाओं की आवश्यकता हो तो हमसे संपर्क करें

یہ دستاویز اگر آپ کو کسی دیگر زبان یا دیگر شکل میں درکار ہو، یا اگر آپ کو ترجمان کی خدمات چاہئیں تو براۓ مہربانی ہم سے رابطہ کیجئے۔

ਜੇ ਇਹ ਦਸਤਾਵੇਜ਼ ਤੁਹਾਨੂੰ ਕਿਸੇ ਹੋਰ ਭਾਸ਼ਾ ਵਿਚ ਜਾਂ ਕਿਸੇ ਹੋਰ ਰੂਪ ਵਿਚ ਚਾਹੀਦਾ ਹੈ, ਜਾਂ ਜੇ ਤੁਹਾਨੂੰ ਗੱਲਬਾਤ ਸਮਝਾਉਣ ਲਈ ਕਿਸੇ ਟਿੱਟਰਪੈਟਰ ਦੀ ਲੋੜ ਹੈ, ਤਾਂ ਤੁਸੀਂ ਸਾਨੂੰ ਦੱਸੋ।

MEETING: 11 JUNE 2015

REPORT BY THE DIRECTOR OF PERFORMANCE AUDIT AND BEST VALUE

ACCOUNTS COMMISSION STRATEGY FOR STATUTORY PERFORMANCE INFORMATION (SPI) AND THE 2015 SPI DIRECTION

Purpose

1. The purpose of this paper is to invite the Commission to consider its overall strategy for statutory performance information in the context of the evolving maturity of the Local Government Benchmarking Framework and the Commission's future approach to auditing Best Value. It follows on from my December 2014 report to the Commission on this topic and draws on early consideration of these issues at the Commission's Performance Audit Committee on the 30th April.
2. The Commission's consideration of this paper will be used to inform engagement with the Improvement Service, COSLA and SOLACE and other stakeholders prior to a draft 2015 SPI Direction being brought to the Commission for consideration later in the year.

Background

3. Section 1(1)(a) of the Local Government Act 1992 (the 1992 Act), gives the Accounts Commission the power to direct relevant bodies to publish such information relating to their activities in any financial year or other specified period as will, in the Commission's opinion, "facilitate the making of appropriate comparisons (by reference to the criteria of cost, economy, efficiency and effectiveness and of securing Best Value in accordance with section 1 of the Local Government in Scotland Act 2003) between:
 - i. the standards of performance achieved by different relevant bodies in that financial year or other period; and
 - ii. the standards of performance achieved by such bodies in different financial years or, as the case may be, other periods."
4. Until 2012/13, the Accounts Commission/Audit Scotland published SPI information for the main council service areas¹ annually, together with council profiles and a compendium of council performance².
5. These products were generally well regarded by the local government community, but contributed to a culture of dependence where councils relied on the SPIs as their primary source of performance information and SPIs became the main vehicle through which councils met their Best Value public performance reporting obligations. Over time, challenges also arose in maintaining the relevance and overall coherence of the suite of Accounts Commission SPIs in a changing local government policy and performance context.

¹Including - adult social work, benefits administration, corporate management, cultural and community services, education and children's services, development services, housing, police and fire, protective services, roads and lighting, waste management - <http://www.audit-scotland.gov.uk/performance/service/>

²<http://www.audit-scotland.gov.uk/performance/council/>.

The Local Government Benchmarking Framework (LGBF) and the Commission’s SPI regime

6. Towards the end of the last decade, the Commission took the view that the local government community should take greater ownership of the public performance reporting and performance benchmarking agenda. For that reason, the Commission endorsed and supported the development of the SOLACE-led local government performance benchmarking project. This reflected a commitment on behalf of the Commission to supporting sector-led improvement. It was consistent with the Crerar³ principle that the primary responsibility for demonstrating [effective] performance should rest with service providers, based on robust performance management and outcome-focused self-assessment.
7. On that basis, the Commission’s 2008 and 2012 Directions marked significant phases in this change of approach. In 2008, the number of SPIs reduced from 58 to 25, and in 2012 the Commission further reduced the number of SPIs to three. This shift reflected an acknowledgement of the local government community’s commitment to publish a suite of comparative performance benchmarking data and the progress that was being made towards this. The three indicators introduced in 2012 remained consistent in the subsequent 2013 and 2014 Directions.
8. The three SPIs set out in the 2012 to 2014 Directions are outlined in **Exhibit 1**.

Exhibit 1

Councils must cover a range of corporate and service information

The 2014 Direction specified the minimum set of indicators for councils to report for 2015/16.

<p>SPI 1. Corporate management</p> <p>Each council will report a range of information, sufficient to demonstrate that it is securing Best Value in relation to:</p>	<p>responsiveness to its communities revenues and service costs employees assets procurement sustainable development equalities and diversity</p>
<p>SPI 2. Service performance</p> <p>Each council will report a range of information sufficient to demonstrate that it is securing Best Value in providing the following services (in partnership with others where appropriate):</p>	<p>benefits administration community care criminal justice social work cultural & community services covering at least sport & leisure, museums, the arts and libraries planning (both environmental and development management) the education of children child protection and children's social work housing & homelessness protective services including environmental health, and trading standards roads and lighting waste management services</p>
<p>SPI 3. Local Government Benchmarking Framework</p> <p>Each council will report its performance in accordance with the requirements of the Local Authority Government benchmarking project.</p>	

Source: [Statutory Performance Indicators: Direction 2014](#), Accounts Commission, 2014.

³ The Crerar Review. The report of the independent review of regulation, audit, inspection and complaints handling of public services in Scotland. Scottish Government, September 2007.

9. The Commission maintained a high level of engagement with SOLACE over the period of development of the Local Government Benchmarking Framework (LGBF), which was launched at the COSLA/Improvement Service conference in early March 2013.⁴
10. The third national LGBF overview report was published on 30th January 2015⁵. The report shows the maturation of the LGBF, with four years of comparable information giving valuable trend information and analysis. The LGBF website also sets out the performance data in full by theme and by council and hosts a benchmarking dashboard tool that supports detailed analysis.
11. Further development work planned for the LGBF includes extending the range of indicators and further work in facilitating benchmarking activity among councils. Pilot work on establishing 'family groups' for benchmarking has been successful and the LGBF team within the Improvement Service plan to phase in family groups for a wider range of services over the next few years.
12. The Improvement Service has also designed a web page proforma that councils can use as a framework for organising their benchmarking information online, improving the consistency of PPR from the public's perspective. The Improvement Service has recently reviewed how well councils have adopted the PPR web proforma. The early evidence from this review work is that a number of councils have not yet adopted the PPR web proforma, preferring instead to rely upon their existing Covalent performance management software. In addition, some of the councils that have adopted the proforma could do more to demonstrate how their analysis of the benchmarking data is being used to inform their improvement agenda.
13. Planning for developing similar arrangements to the LGBF for Community Planning Partnerships (CPPs) has also begun. A draft indicator set for CPPs has now been established which is currently being discussed with key stakeholder groups such as the Outcomes, Evidence and Performance (OEP) Board and the Community Planning Managers network.
14. The Commission continues to retain oversight of the LGBF. At its November 2014 meeting, the Commission received a briefing from COSLA, SOLACE and the Improvement Service on the current status and plans for further development of the framework. In addition, Audit Scotland maintains an ongoing watching brief of these developments through the Controller of Audit's attendance at LGBF Board meetings as an observer and PABV staff liaise regularly with the Improvement Service staff responsible for the LGBF.

⁴ <http://www.improvementservice.org.uk/benchmarking/>

⁵ <http://www.improvementservice.org.uk/benchmarking/reports.html>

Legal advice relating to the Commission's powers to make an SPI Direction

15. In preparing this report legal advice was sought from the Commission's lawyers (Brodies LLP) to identify any significant limitations on the Commission's powers when making an SPI Direction. The three specific questions on which advice was sought were:

- i. whether annual directions are required, or could an SPI direction cover a longer time period?
- ii. whether the Commission could delete SPIs 1 and 2 and delegate its responsibility for prescribing performance data to the LGBF?
- iii. what policy or legal changes might be required to support councils in aligning their performance reporting activities under the 1992 Act and the 2003 Act?

16. The legal advice (as set out in quotations and italics) indicates that:

- *The provisions of Section 2 (1)(a) of the 1992 Act are such that "it would be competent for the Commission to make a Direction for a specified period of, say, five years, the terms of which would require local authorities to publish performance information for their activities in each financial year for the duration of that period."*
- *If that option were chosen, "the Commission would retain the power to amend the Direction at any time it saw fit, using the power in section 2(2) (b) of the 1992 Act (a direction may be varied or revoked by any subsequent direction)."*
- *Under Section 2(1)(b) any Direction must "specify or describe the activities to which the information is to relate". "Section 2 does not expressly permit the Commission to delegate its responsibility for prescribing performance data in a manner consistent with the 1992 Act to another body." Therefore, whilst if it were to rely on SPI 3 alone "the Commission would still be issuing some form of Direction (and not delegating this responsibility to the LGBF), it would no longer itself be defining the performance information that councils must publish, as required by the legislation." This is because under the legislation "it is for the Commission to issue such Directions as it thinks fit. This suggests that the Commission should have applied its mind to the content of the Direction and should be satisfied that what is being asked for is appropriate. The Commission would have no control over anything produced by the LGBF. There is therefore a risk that, in adopting this approach, the Commission may be acting ultra vires."*
- *"It is possible that some of these difficulties could be addressed through careful drafting of a new Direction, including perhaps incorporation of relevant LGBF guidance into the Direction itself (eg as a schedule). However, we do think that in order to give legitimacy and statutory effect to reporting requirements imposed on local authorities they should come principally in the form of a Direction from the Commission."*

17. Local authorities are covered by several pieces of legislation that relate to public performance reporting, the most significant of which are the 1992 Act and the 2003 Act. They place different reporting obligations on councils. The 1992 Act originally specified that bodies should publish the information, in accordance with the Direction, within nine months beginning with the end of that financial year-end, ie the end of December.⁶ However, in 1997 this period was reduced to six months, giving bodies until the end of September to publish against the SPIs.⁷
18. The 2003 Act is more flexible in that it does not fix a specific deadline for local authorities to report to the public on the outcomes of the performance of its functions. In fact, the 2004⁸ Best Value statutory guidance makes the point that flexible and responsive approaches to public performance reporting require flexibility in the form, content, frequency of and time limits for reports if they are to meet the needs of the varying stakeholder groups (eg the wider public, service users, parents, community groups, local businesses) that have an interest in the performance of local authorities.
19. Some local authorities are experiencing practical difficulties in complying with their obligations under the 1992 Act and the 2003 Act in a 'joined-up' manner because of the six months deadline that applies under the 1992 Act. Legal advice was also therefore sought on what options might be available for overcoming these difficulties.
20. The legal advice is that *"if it is this specific deadline that is causing the problem, it is likely that legislative amendment would be required to address that, since the six month timescale is set by section 1(2)(b) of the 1992 Act. This could be changed by way of an order of Scottish Ministers (similar to the earlier order reducing the timescale from 9 to 6 months – The Local Government (Publication of Performance Information) (Scotland) Order 1997."*

Strategic issues for consideration by the Commission

21. The local government community has welcomed the Commission's endorsement of the LGBF as a commitment to supporting sector-led improvement. Councils anticipate that as the LGBF matures in terms of its scope and content this will lead to further reductions in the additional performance reporting requirements placed on them under the SPI regime. Given those perceptions amongst external stakeholders the Commission will wish to think carefully about the strategic positioning of the 2015 Direction.
22. Clearly, the Commission's policy on this matter will need to be considered alongside its broader approach to communicating its new strategic priorities following its 2015 strategy seminar.
23. Similarly, given the strong links between statutory performance information, public performance reporting and the broader duty of Best Value that applies to councils, the Commission may also wish to consider incorporating a clear statement about its strategy for SPIs as part of its broader communication strategy around the future approach to auditing Best Value.

⁶ [Section 1, Local Government Act 1992](#)

⁷ [Section 2, Local Government \(Publication of Performance Information\) \(Scotland\) Order 1997](#).

⁸ The Local Government in Scotland Act 2003. Best Value Guidance. Measures to support public performance reporting. Scottish Executive. Edinburgh 2004.

24. In April 2015 an initial discussion took place with members of the Commission's Performance Audit Committee on the options open to the Commission in relation to its 2015 SPI Direction. That discussion covered a wide range of issues which included:

- An interest in exploring the option of setting a longer-term (eg four or five-year) SPI Direction, aligned either with the period of local government auditor appointments (five years) or the local government election cycle (four years). The former offers opportunities to align the Direction with the future approach to auditing Best Value. The latter offers opportunities to highlight the significance of elected member leadership within councils, but carries potential risks of being perceived as 'politicising' SPIs and Best Value more generally.
- The importance of communicating clearly to stakeholders how the increasing maturity of the LGBF will be reflected in the Commission's strategy for future SPI Directions (e.g. whether this will lead to further reductions in the performance reporting requirements placed on councils under the SPI regime over time).
- The need for any decisions in this regard to be informed by further discussions over the summer with the Improvement Service, COSLA and SOLACE.
- A shared view that any future Direction should be sufficiently flexible to adapt to the evolving nature of the new Best Value audit approach and the increasing maturity of the LGBF; particularly if a decision is made to adopt a Direction that covers a longer (four or five-year) period.
- The need for any future Direction to be clear about how the additional information that the Commission requires councils to publish, beyond that specified by the LGBF, 'adds value' and links with the Commission's Best Value interests. This could take the form of a redrafted version of SPIs 1 and 2 that make explicit reference to any revised Best Value Characteristics and/or the Commission's expectations around pace and depth of improvement.
- A consensus view that incorporating the assessment of councils' approaches to public performance reporting as an integral element of the new approach to auditing Best Value, rather than undertaking separate assessments of this aspect of councils' performance, carries potential benefits of:
 - providing a more 'rounded' assessment, by considering how PPR sits alongside related activity such as consultation and engagement, performance management and scrutiny, and continuous improvement work
 - potentially mitigating against the 'compliance-based' approach to the Commission's SPI Direction, by promoting SPI information as an integral element of broader continuous improvement activity, not a separate activity
 - improved the efficiency of the audit approach through the economies of process that this is likely to bring.
- The need for the tone and content of the 2015 Direction to be explicitly aligned with the Commission's future approach to auditing Best Value and its broader strategic priorities.

25. It was agreed that these issues would be brought to the full Commission for its consideration and that the outcomes of that discussion would be used to inform engagement with the LGBF team prior to a draft SPI Direction 2015 being prepared for consideration by the Commission at a future meeting. Those discussions will form part of the statutory consultation that the Commission is obliged to undertake with *'such associations of relevant bodies and such other persons as it sees fit'* when preparing its SPI Directions.⁹

The Commission's SPI regime and other local authority bodies

26. The 1992 Act gives the Commission statutory powers to specify that relevant bodies must publish specified information. Relevant bodies under this piece of legislation include any local authority, joint board or joint committee, within the meaning of the 1973 Act. The integration joint boards (IJBs) that are being created under the Public Bodies (Joint Working) (Scotland) Act, 2014 will be local government bodies under section 106 of the Local Government (Scotland) Act 1973 and therefore fall within the ambit of the 1992 Act.

27. These bodies are covered by a duty of Best Value, will have auditors that will be appointed by the Accounts Commission and will be required to prepare a set of accounts, an annual financial statement and a performance report. The Commission will want to consider how it might exercise its power under the 1992 Act in relation to those bodies when preparing its draft SPI Direction 2015. This issue will be explored more fully in the further report that will be brought to the Commission with a draft SPI Direction report later in the year.

Recommendations

28. The Accounts Commission is invited to:

- i. Consider the issues set out in para 24 of this report to inform the Commission's engagement and consultation with the LGBF team and other stakeholders as part of the process of preparing a draft SPI Direction 2015.
- ii. Note that a further report will be brought to a future meeting of the Commission with a draft SPI Direction.
- iii. Note that the further report will consider the implications of the 1992 Act for the Commission's interests in integration joint boards (IJBs).

Fraser McKinlay
Director of Performance Audit and Best Value
28 May 2015

⁹ Section 2(3) Local Government Act 1992.

MEETING 11 JUNE**REPORT BY ASSISTANT AUDITOR GENERAL****BENEFITS PERFORMANCE AUDIT ANNUAL REPORT**

Purpose

1. The purpose of this report is to advise the Commission of the outcome of Audit Scotland's benefits performance audit work during 2014/15. It also provides an update on welfare reform.

Background

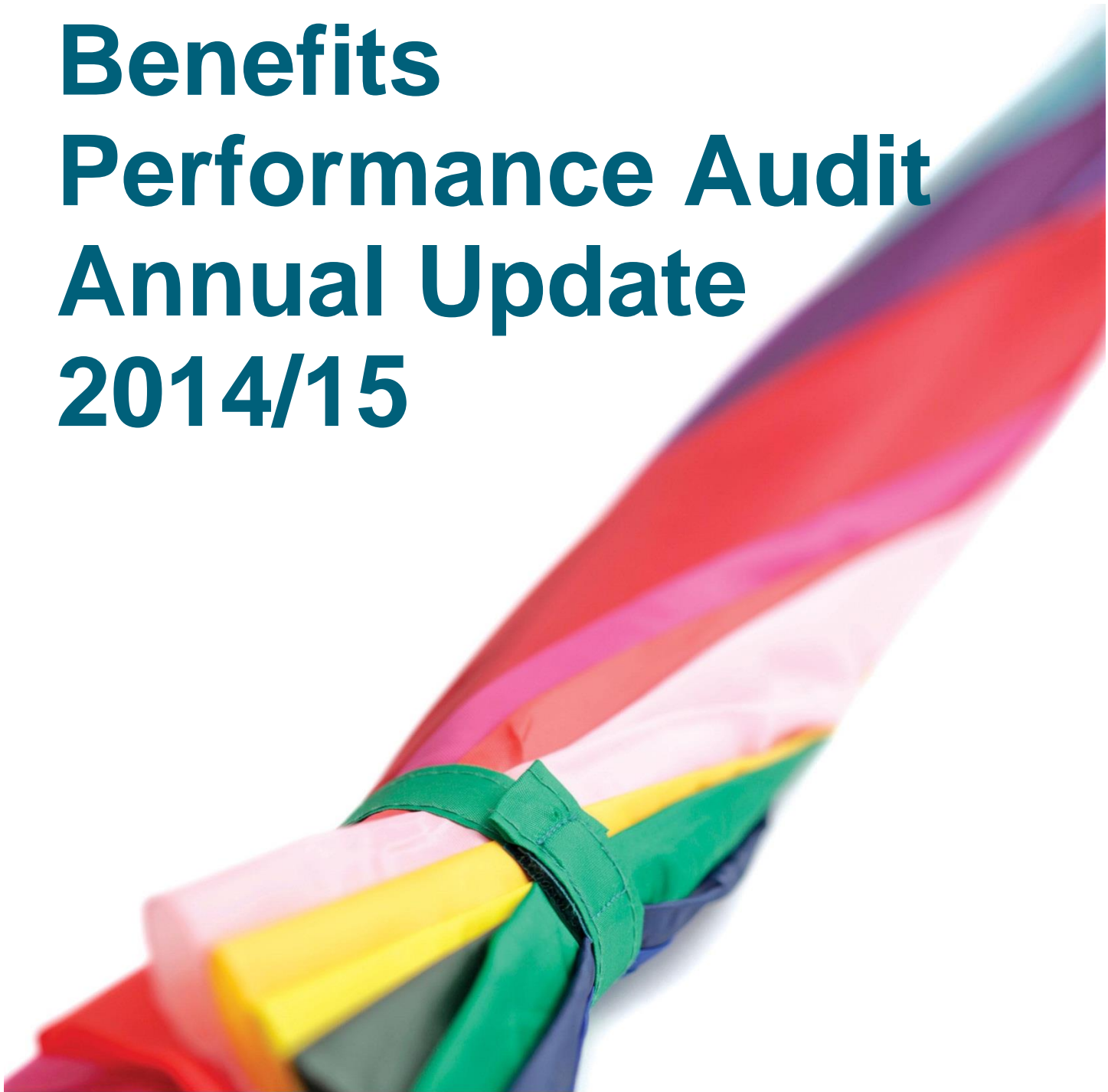
2. This report provides a summary of the performance audit work carried out by Audit Scotland on Scottish council's housing benefit (HB) service during 2014/15.
3. The main objective of the performance audit is to help councils improve their benefit services but it also holds councils to account for any failing services.
4. Risk assessment reports are provided to council Chief Executives who prepare an improvement plan detailing the actions with associated timescales that they will take to address identified risks.
5. Ten risk assessment visits were completed during 2014/15. Following receipt and review of council improvement plans, progress reports were requested from nine councils. Eight progress reports relate to risk assessment reports issued in 2013/14.
6. A review was undertaken of council tenant rent arrears in order to determine the extent to which the removal of the spare room subsidy (RSRS) and other welfare reforms have impacted on rent arrears. We found that following the introduction of the RSRS, rent arrears increased to £35.1 million by 31 March 2014, which represents an increase of approximately 24% on 2012/13 levels.
7. A second review was undertaken of the issues identified by auditors during the certification of the 2013/14 HB subsidy claims. Auditors identified errors which resulted in subsidy being over-claimed by £0.274 million. In addition, five councils were unable to claim a total of £0.784 million in subsidy as a result of exceeding the pre-agreed DWP threshold limits for HB overpayments.
8. Universal Credit (UC) continues to be rolled out across Scotland for the most straight forward claims. All Scottish councils will have some of their local residents claiming UC by April 2016.

Recommendation

9. The Commission is invited to note the outcomes of the 2014/15 benefit performance audit work and to note that we plan to issue a copy of this report to council Chief Executives following consideration by the Commission.

Russell Frith
Assistant Auditor General
11 June 2015

Benefits Performance Audit Annual Update 2014/15



Prepared for The Accounts Commission
June 2015



Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. We help the Auditor General for Scotland and the Accounts Commission check that organisations spending public money use it properly, efficiently and effectively.

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Purpose

1. This report provides a summary of the performance audit work carried out by Audit Scotland on Scottish council's housing benefit (HB) services during 2014/15.

Key messages

2. During 2014/15 we visited 10 councils and identified 70 risks to continuous improvement with councils accepting all of these risks. We found 83% (86% in 2013/14) of risks identified during previous risk assessments had been either fully or partially addressed. Council feedback on the audit process remains positive.
3. However, we found that business planning and performance reporting is weak in a number of councils. We appreciate that the delay and uncertainty around the roll-out of Universal Credit (UC) has made it difficult for councils to plan ahead. However, despite this, some HB services could do better. We also identified that accuracy checking and intervention activity in some councils could be improved by being more focused on high risk areas.
4. We have found that despite the number of HB claims having increased when compared with the position six years ago and the decrease in administration grant funding from the DWP, where benefit services are well managed they can deliver value for money and high quality services for claimants.
5. Looking forward, UK Government welfare reforms continue to have a significant impact on councils. UC continues to be rolled out across Scotland for the most straight forward claims. The rollout is being carried out in four tranches which will result in all Scottish councils having some of their local residents claiming UC by April 2016. The majority of existing HB claims are due to migrate to UC during 2016 and 2017. However, there remains uncertainty around the specific timing of the migration of HB to UC.
6. The Department for Work and Pensions (DWP) roll out of its Single Fraud Investigation Service (SFIS) has seen 19 Scottish councils already transferring their responsibility for investigating benefit fraud, and in many cases their fraud investigators, to SFIS. The DWP plans to have all councils transferred over by March 2016.

Background

7. In Scotland, one in five households received financial support to help pay for their rent during 2014/15 in the form of means tested HB. Scottish councils paid out £1.74 billion in HB awards in 2014/15. This represents a 2% decrease from 2013/14.
8. Councils received £29.5 million (£40.83 million in 2013/14) in funding from the DWP to deliver HB services in 2014/15. The reduction in funding in 2014/15 is due to a 10% efficiency saving and disaggregation from 2014/15 onwards of the joint HB and Council Tax Benefit (CTB) funding following the abolition of CTB in April 2013.
9. The main objective of the benefit performance audit is to help councils improve their benefit services but it also holds councils to account for any failing services. The audit has two phases:
 - a risk assessment phase that identifies risks to continuous improvement
 - a focused audit phase that examines the service, or parts of it in more detail if a council is unable, or unwilling to address key risks identified in phase one.
10. Risk assessment reports are provided to council Chief Executives who are invited to prepare an improvement plan detailing the actions with associated timescales that they will take to address identified risks. These reports are also copied to the DWP to provide assurances over how Scottish councils are performing.
11. When a focused audit is required the Controller of Audit prepares a report to the Accounts Commission. Focused audit reports are provided to council Chief Executives and are also copied to the DWP and published on the Audit Scotland website.

Work carried out during 2014/15

12. We revised our risk based model to ensure that the councils representing what we considered to be the highest risk were visited. Appendix A contains the details of the ten risk assessment visits that were planned and completed during 2014/15. No focused audits were carried out.
13. Following receipt and review of council improvement plans to address the risks identified in our risk assessment reports, progress reports were requested from nine councils. Eight

progress reports relate to risk assessment reports issued in 2013/14 as detailed in Appendix B.

14. To date, progress reports have been received from all councils with the exception of East Renfrewshire and West Lothian Councils which are due to report back to us at the end of July 2015. Action taken to address risks was considered to be satisfactory in all updates received.
15. In line with Audit Scotland's objective of identifying and sharing good practices, two thematic studies were undertaken during 2014/15.

The impact of welfare reforms on council rent arrears in Scotland

16. A review was undertaken of council tenant rent arrears in order to determine the extent to which the removal of the spare room subsidy (RSRS) and other welfare reforms have impacted on rent arrears in Scotland.
17. The report highlights that in 2012/13 the value of current tenant rent arrears for all Scottish councils was £28.2 million which represented an increase of approximately 16% on 2011/12 levels. Following the introduction of the RSRS, rent arrears increased further to £35.1 million by 31 March 2014, which represents an increase of approximately 24% on 2012/13 levels.
18. Looking forward, future reforms such as UC, direct payments to claimants, and the fact that many households are, or might be affected by more than one welfare reform change, are likely to make rent collection even more challenging.

Review of housing benefit subsidy errors in 2013/14

19. A review was undertaken of the issues identified by auditors during the certification of the 2013/14 HB subsidy claims. Auditors identified errors which resulted in subsidy being over-claimed by £0.274 million, which represents 0.01% of expenditure (£0.149 million in 2012/13). In addition, five councils were unable to claim a total of £0.784 million (£0.809 million in 2012/13) in subsidy as a result of exceeding the pre-agreed DWP threshold limits for local authority error and administrative delay HB overpayments.
20. Auditors reported 60 errors and other issues in their 2013/14 certification letters in respect of 19 of the 32 Scottish councils. No issues were identified in the certification of the remaining 13 subsidy claims. This is an increase in the number of issues reported in 2012/13 where auditors identified 40 errors across 20 councils.
21. Most errors identified were in the calculation of claimant income and with the classification of overpaid HB. Auditors reported that, in order to help reduce subsidy loss, effective management arrangements should be in place to ensure overpayments, processing errors

and administrative delays are minimised and, where they do occur, that overpayments are correctly classified and calculated.

Key issues from 2013/14 Risk Assessments

Outcomes of the risk assessments

22. Audit Scotland identified 70 risks to continuous improvement (64 in 2013/14) in the ten risk assessment visits completed in 2014/15. We are pleased to report that only one risk to continuous improvement was identified in the Scottish Borders Council.
23. Our work identified that 83% (148 out of 179) of previously agreed actions had been fully or partially implemented (86% in 2013/14).
24. Improvement plans have been received from all councils visited with the exception of East Dunbartonshire and Clackmannanshire Councils which are in the process of preparing their action plans. Analysis of the risks identified shows that:
 - 100% (98% in 2013/14) of the identified risks were fully accepted by councils
 - 22% (39/179) of agreed risks from previous risk assessments were carried forward.
25. Councils have cited resourcing issues and on-going welfare reform pressures as reasons why not all agreed actions have been implemented.
26. Between November 2008 and February 2015, there has been a 12% (48,953) increase in HB claims in Scotland. However the increase in claims has not been constant. Exhibit 1 below shows that claims peaked at a high of almost 485,000 during 2012/13 before falling from 2013/14. This trend is replicated across Scottish councils. Exhibit 2 shows the caseload increase for the ten councils we visited between November 2008 and February 2015.

Exhibit 1: Change in HB caseload in Scotland between November 2008 and February 2015

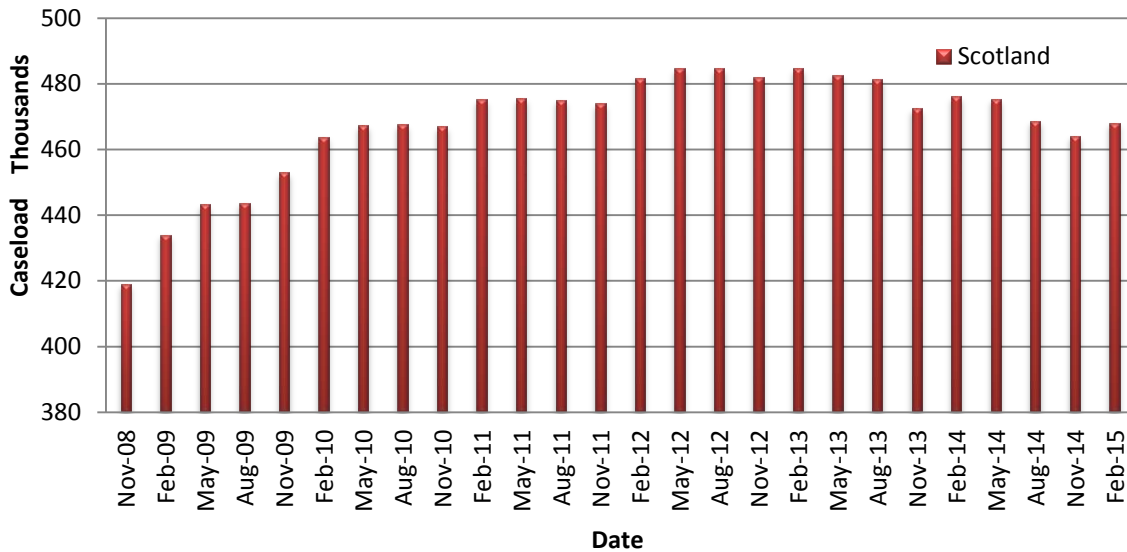


Exhibit 1: Source DWP caseload statistics November 2008 to February 2015

Exhibit 2: Caseload increase November 2008-February 2015 for the ten councils visited during 2014/15

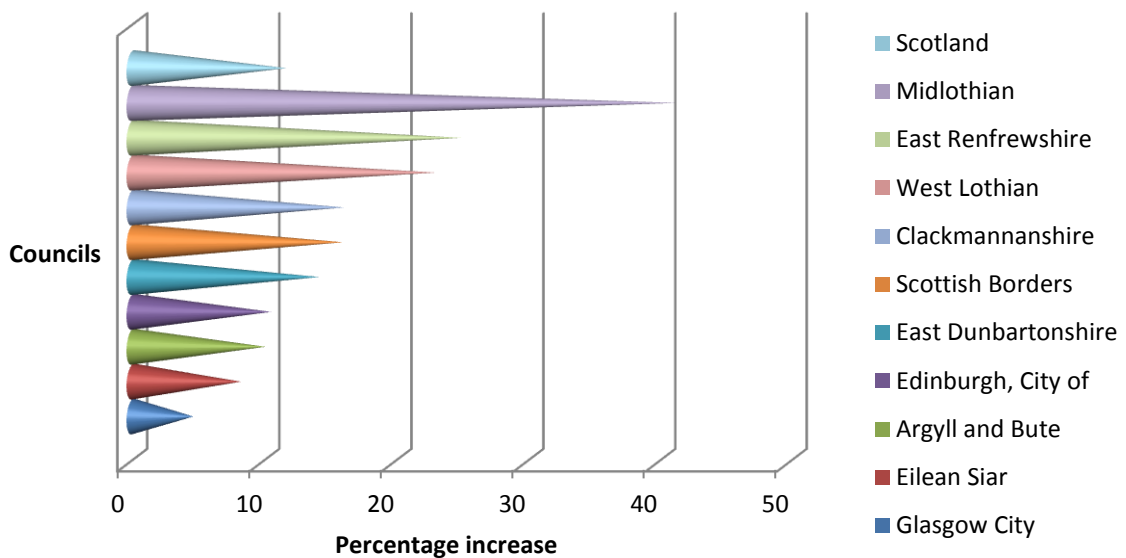


Exhibit 2: Source DWP caseload statistics November 2008 to February 2015

27. We have found that despite increasing numbers of claims over the last six years along with decreasing administration grant funding for the DWP, where benefit services are well managed they can deliver value for money and high quality services for claimants.

Good practices identified

28. A number of areas of good practice have been identified in Scottish benefit services during 2014/15. These include:

National and local priorities

29. The Scottish Borders Council has adopted a collaborative working approach to welfare reform by integrating its welfare reform programme into the local community planning process. This programme is managed by a joint delivery team comprising of senior executives from partner organisations and the council's Chief Executive.

Business planning and reporting

30. Midlothian Council provides staff with a detailed breakdown of their individual performance to ensure that each member of staff fully understands how their performance impacts the overall performance of their team, and the service as a whole.

Delivering outcomes -speed of processing

31. To maximise efficiency the Scottish Borders Council put in place a number of practices and arrangements, including the introduction of a pre-assessment function to allow assessors to focus on decision making, homeworking, and individual performance monitoring. The council also plan to implement an electronic benefits claim along with risk based verification.
32. Argyll & Bute Council uses a performance management tool to help the service identify and analyse 'waste' in the claims process. The 'waste' report includes a review of the time taken to allocate claims for processing, and the verification of claims.
33. In order to improve speed of processing, Midlothian Council
- improved its claim indexing process
 - reviewed evidence requirements
 - introduced a fast-track service
 - provide training on evidence standards to key internal and external stakeholders.
34. Comhairle nan Eilean Siar has introduced the closure of the benefits offices to the public each Wednesday and an appointment system at all other times to allow staff to process claims uninterrupted.

35. The City of Edinburgh Council has put in place several initiatives to improve processing speed including:
- the ongoing use of temporary agency staff when required
 - a contract with an external provider for off-site processing
 - the recruitment of additional staff on fix term contracts to help sustain the service until the roll out of UC
 - an arrangement where a benefit processor works in three housing associations offices
 - introducing Risk Based Verification for new claims and for changes
 - the implementation of a fully integrated e-form for new claims.

Accuracy

36. The City of Edinburgh Council's accuracy checking includes pre and post payment random sampling of individual cases, targeted reviews of certain processes and reviews of individual officer's processes. As part of the council's performance development process, all processing staff have an accuracy target and all errors are fed back to the individual staff member and their team manager. Where performance is below target a support and monitoring process begins.
37. East Renfrewshire Council's checking process consists of a daily check of cases randomly selected from a benefit IT system report and a benefit audit check form is completed in each case. Outcomes are recorded and analysed in order to help identify patterns of error. Where recurring errors are identified remedial training is carried out.
38. Glasgow City Council has a number on initiatives in place to improve accuracy performance. These include:
- staff recording errors found when processing claims on a log which is reviewed to identify patterns of error and areas where remedial training could be beneficial
 - providing staff whose accuracy rate falls below target with dedicated support and training.

Overpayments

39. To reduce overpayments from occurring, Glasgow City Council has a benefit officer co-located in four Glasgow Housing Association (GHA) offices and an IT interface automatically suspends benefit claims when GHA tenants change address.

40. As a result of these initiatives the value of GHA tenants' overpayments outstanding reduced significantly from £286,670 at October 2013 to £57,345, at October 2014. This is a reduction of approximately 80% which is highly commendable.
41. The Scottish Borders Council tries to minimise overpayments through analysis of overpayment causes to identify changes to working practices to help reduce future occurrence, checking BACS payments over £500 and monthly monitoring of all overpayments as part of the budget monitoring.
42. East Renfrewshire Council is one of the first councils in Scotland to use the decree certification process to recover overpayments. This means the council can apply for the arrestment of customers' wages, freeze funds in customers' bank accounts and petition for bankruptcy proceedings against the customer.
43. Argyll & Bute Council has entered into a contract with an external provider to pursue debt that is difficult to recover. It is also one of the first councils in Scotland to use Direct Earnings Arrestment (DEA) as a means of recovering benefit overpayments.

Areas for improvement

44. Audit Scotland has identified that improvement is required in the following key areas:
 - Business planning and performance reporting weaknesses have been identified. Specifically, either targets are not set for all areas of the service and/or there is limited reporting to senior management in respect of all areas of the service. We appreciate that the delay and uncertainty around the roll-out of UC has made it difficult for councils to plan ahead. However, despite this some HB services could do better.
 - Cases selected for quality checking are selected without a focus on higher risk cases. While in most instances processes are in place to record the results of quality checks, the results are not analysed to a level to inform a risk based approach to checking, either by officer or claim type.
 - Intervention approaches need to be reviewed in many cases to ensure they are effectively and efficiently focused on identifying unreported changes and errors. Analysis of the outcomes from interventions activity is not to a level that would enable the easy identification of trends and to help inform any future intervention programme targeted on risk.

- There is limited assurance in a number of councils that the value of overpayments raised, recovered and outstanding is being accurately recorded and reported.

Stakeholder feedback

45. Feedback questionnaires are issued to benefit managers after each risk assessment. The questions are designed to gain assurances over whether the audit methodology and documentation are effective and to look for areas which can be improved. During 2014/15, we received replies from nine councils.
46. Overall the responses were positive and provided assurance that the audit methodology is fit for purpose and proportionate. The following comments help illustrate these responses:
- "This has forced us to take a step back from the detail and refocus on better ways of doing things. The audit process helps to focus on high risk areas and to take action to improve processes and make relevant changes."
 - "The audit had a positive impact in the transparency of reporting and governance and financial management of the service. The Performance Management Framework and performance reporting have been reviewed following the risk assessment."
 - "The auditor was very knowledgeable about benefits."
 - "We felt there was recognition and appreciation of the various challenges faced by housing benefit services."
47. Whilst the majority of the responses were positive not every council found the process to be so. Particular concerns raised were:
- "A minor improvement would have been to put more emphasis on the fact that performance was showing sustained recovery and more recognition of the efforts of the workforce to affect recovery."
 - "There could have been increased flexibility in terms of audit approach and reporting and more focus on "now" and future direction."
48. Audit Scotland has taken these comments on board in the planning and delivery of risk assessments. We give councils as much notice as possible of risk assessments. We also try to concentrate on the challenges facing each council and how they respond to those challenges. We continue to share copies of all our risk assessment plans and reports with DWP.

49. We will also continue to monitor our approach going forward in conjunction with the DWP through quarterly meetings between the Manager, Benefits-Technical and senior officers in the DWP's Housing Delivery Division.

Welfare reform

50. Scottish councils continue to work with partners to implement changes to help deliver the UK government's welfare reform agenda. During 2014/15 UC has continued to be roll-out in the Inverness Jobcentre area where single claimants have claimed UC since November 2013. This has expanded with claims from couples going live in June 2014 and claims from families going live in January 2015. Highland Council has been providing personal budgeting support, digital access, housing cost knowledge, and advice and support to claimants. So far over 200 Highland Council HB claimants have moved over to UC. In the Inverness area 90% of UC claims have been made online, although this may include claims completed with the support of council or Jobcentre Plus officers.
51. The rollout of UC across Scotland began from February 2015 for single people who would otherwise have been eligible for income based Jobseeker's Allowance, including those with existing HB and Working Tax Credit claims. The rollout is being carried out in four tranches which will result in all Scottish councils having some of their local residents claiming UC by April 2016.
52. Indications from councils are that some UC claimants are in arrears with rent payments. However accurate information is not available due to:
- new UC claimants not receiving their first payment until five weeks after claiming
 - arrears statistics not showing an aged debt analysis, and whether or not the debtor is claiming UC.
53. The Smith Commission proposals to allow the frequency of UC payments to be changed and to make direct payment to landlords may help keep rent arrears minimised.
54. New claims to legacy benefits such as HB are expected to be closed from 2016 with the migration to UC to follow thereafter. However uncertainties remain which make it difficult for councils to plan effectively.
55. The latest information from the DWP states that the majority of the HB caseload will migrate to UC during 2016 and 2017 although no detailed migration plans are in place. This planned migration will not include HB claims for customers who have reached the age to qualify for

Pension Credit, HB customers in receipt of Employment Support Allowance (ESA) or customers living in supported or specified accommodation. These customers are expected to remain with councils until after 2017.

56. The DWP has been rolling out its Single Fraud Investigation Service (SFIS) since July 2014. So far, 19 Scottish councils have transferred their responsibility for investigating benefit fraud, and in many cases their fraud investigators, to SFIS. The DWP plans to have all councils transferred over by March 2016. Councils should ensure sufficient resources are in place to investigate non-benefit fraud such as council tax reduction fraud, tenancy fraud and other corporate fraud.

Appendix A – The 2014/15 risk assessment programme

Date on site	Council	Date reported
May 2014	Argyll & Bute	August 2014
May 2014	Scottish Borders	June 2014
July 2014	Midlothian	October 2014
July 2014	Comhairle nan Eilean Siar	October 2014
November 2014	West Lothian	February 2015
October 2014	East Renfrewshire	January 2015
January 2015	Glasgow City	March 2015
January 2015	City of Edinburgh	March 2015
March 2015	Clackmannanshire	Report issued to Chief Executive in May 2015. Currently awaiting the council's improvement plan
March 2015	East Dunbartonshire	Report issued to Chief Executive in May 2015. Currently awaiting the council's improvement plan

Appendix B – Progress reports requested during 2014/15

Council	Date progress report received/expected	Conclusion on action taken to address risks
South Ayrshire Council	April 2014 January 2015	Updates received and satisfactory progress made. A full risk assessment is planned for 2016
City of Edinburgh Council	April 2014	Update received and satisfactory progress made. A full risk assessment was carried out in 2014/15.
West Dunbartonshire Council	April 2014	Update received and satisfactory progress made.
Aberdeen City Council	August 2014	Update received and satisfactory progress made.
Perth & Kinross Council	November 2014	Update received and satisfactory progress made.
Falkirk	November 2014	Update received and satisfactory progress made.
East Ayrshire Council	April 2015	Update received and satisfactory progress made.
East Renfrewshire Council	July 2015	
West Lothian Council	July 2015	

MEETING: 11 JUNE 2015

COVER NOTE BY: SECRETARY TO THE ACCOUNTS COMMISSION

AUDIT OF BEST VALUE: ABERDEEN CITY COUNCIL

Purpose

1. The purpose of this paper is to introduce the Controller of Audit's report of the Best Value audit of Aberdeen City Council. The Commission is invited to consider the report and decide how it wishes to proceed.

Background

2. The Commission last considered a report on Best Value at Aberdeen City Council in 2009. This was a progress report following an audit report the previous year that had resulted in a Commission hearing being held.
3. The annual scrutiny plan for the council, issued in June 2014, reported that the shared risk assessment carried out by the Local Area Network had identified a need for Best Value audit work to cover the following areas:
 - The leadership and direction of the council, given significant changes in the management and political leadership.
 - Governance and accountability, as council and committee arrangements had changed.

The Report

4. The attached report to the Commission is made by the Controller of Audit under section 102(1) of the Local Government (Scotland) Act 1973 (as amended by subsequent legislation including the Local Government in Scotland Act 2003).
5. The legislation enables the Controller of Audit to make reports to the Commission with respect to:
 - a) the accounts of local authorities audited under the Act;
 - b) any matters arising from the accounts of any of those authorities or from the auditing of those accounts being matters that the Controller considers should be considered by the local authority or brought to the attention of the public.
 - c) the performance by a local authority of their statutory duties in relation to best value and community planning.
6. A copy of the report is being sent to the Council, which is obliged to supply a copy to each elected member of the Council and to make additional copies available for public inspection. Once the Controller of Audit's report is sent to the Council it is effectively in the public domain.

Procedure

7. The legislation provides that, on receipt of a Controller of Audit report, the Commission may do, in any order, all or any of the following, or none of them:
 - (a) direct the Controller of Audit to carry out further investigations;
 - (b) hold a hearing;
 - (c) state its findings.
8. Findings may include recommendations and the persons to whom those recommendations may be made include Scottish Ministers, who have powers to make an enforcement direction requiring an authority to take such action as is specified in the direction.
9. Members of the audit team will be present at the Commission's meeting and will be available to answer questions on the evidence presented in the report.

Conclusion

10. The Commission is invited to:
 - a) consider the report by the Controller of Audit on the audit of Best Value of Aberdeen City Council; and
 - b) decide how it wishes to proceed.

Paul Reilly
Secretary to the Commission
3 June 2015

Aberdeen City Council

Best Value Audit 2015



Prepared for the Accounts Commission by the Controller of Audit
June 2015

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. It provides services to the Auditor General for Scotland and the Accounts Commission. Together they ensure that the Scottish Government and public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.

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Commission findings

Controller of audit report

Introduction

1. The Local Government in Scotland Act 2003 created a statutory duty of Best Value for all councils. The Accounts Commission for Scotland is responsible for reporting to the public on the extent to which individual local authorities meet this duty. Staff from Audit Scotland carry out the audit work on Best Value, and the Controller of Audit provides audit reports to the Commission.
2. We base the scope of each audit of Best Value on a shared risk assessment that we carry out annually, working with colleagues from the other scrutiny bodies that cover local government. There is a Local Area Network (LAN) for each council, which produces an annual scrutiny plan that sets out expected activity by each scrutiny body over the forthcoming year. This means that audits of Best Value focus on the particular risks and key issues that individual councils face, and are coordinated with other inspections and scrutiny activity.
3. In 2008, following a public hearing, the Accounts Commission published an audit report about Best Value in Aberdeen City Council¹. The Commission found that the council faced extremely serious challenges and was in a precarious financial position. The Commission requested a progress report in 2009. This report found that the council had made a good start but still had some way to go in addressing the Commission's findings². The council's progress has been monitored, by the LAN and by the appointed auditor on an ongoing basis.
4. In 2013, the Accounts Commission and the Auditor General for Scotland published a report on Community Planning in Aberdeen³. The Commission found that '*Community Planning Aberdeen has shown increasing self-awareness in recognising how it needs to improve. Recent improvements in governance structures have helped provide momentum...the partnership needs to show better leadership to get more out of community planning for the city*' and '*...a new long-term vision for the city provides a good basis, but this vision needs to be supported by clear priorities that are reflected in an agreed plan of action...*'
5. In the annual scrutiny plan issued in June 2014⁴, the LAN noted that the following needed to be scrutinised:
 - The leadership and direction of the council, given significant changes in the management and political leadership.
 - Governance⁵ and accountability⁶ as council and committee arrangements had changed.

¹ [Aberdeen City Council, Audit of Best Value and Community Planning, Accounts Commission, May 2008](#)

² [Aberdeen City Council, Audit of Best Value and Community Planning, Progress Report, Accounts Commission, July 2009](#)

³ [Community planning in Aberdeen, Accounts Commission and Auditor General for Scotland, March 2013](#)

⁴ [Aberdeen City Council Assurance and Improvement Plan 2014–17](#)

⁵ Governance - Governance describes the structures, systems, processes, controls and behaviours by which an organisation manages its activities.

6. The Accounts Commission has stressed the importance of effective political and managerial leadership in all councils. This is essential if councils are to meet their statutory duty of Best Value and continuously improve public services. Commitment, leadership and good governance are central to securing Best Value. They are particularly important to ensure that councils use public money effectively and appropriately to deliver maximum benefit, particularly in a time of financial constraint. Our audit work assessed:
- whether the council has set a clear vision for Aberdeen that is shared across all parts of the council
 - whether the council has effective systems in place to implement its vision and deliver Best Value
 - whether the council has effective systems of scrutiny, performance management and improvement in place at the council and its arm's-length organisations
 - the effectiveness of the working relationships between elected members and between elected members and officers.
7. A team from Audit Scotland carried out the audit work for this report in early 2015. The on-site work in the council took place from late January to early February. Our audit work included:
- interviewing senior officers and councillors
 - running focus groups with administration and opposition councillors, and with senior managers
 - observing a range of council and committee meetings
 - reviewing documents such as council strategies, committee papers and performance reports.
8. We gratefully acknowledge the cooperation and assistance provided to the audit team by the council Leader Councillor Jenny Laing, Chief Executive Angela Scott, Head of Service Ciaran Monaghan and all of the elected members and officers we spoke to during the audit.

⁶ Accountability - Accountability is the way a specific senior person in an organisation is held responsible for managing and planning how resources, for example money, are used and how well the organisation is performing. This includes reporting to elected members and making sure information is easily accessible to the public. Chief executives in local government are accountable to elected members.

Summary

9. Since the publication of the Commission's 2009 Best Value audit report, Aberdeen City Council has changed significantly. It has streamlined its organisational structures, put robust medium-term budget planning in place and dealt with the serious financial deficit it faced. Over the same period, there have been other significant changes at the council. For example, the council moved its headquarters, changed administration in 2012 and has had two changes of Chief Executive.
10. The current Chief Executive has been in post since July 2014. She recognises the council's arrangements need to improve further and is putting a significant programme of improvement actions in place. The programme covers delivery of outcomes, and improvements to customer experience, staff experience and use of resources. For many of the actions taken so far, it is too early to assess if they will be effective, but there is significant consistency between existing plans at the council and the areas for improvement we identified during our audit. These include the need for :
 - greater clarity on corporate and service priorities, ensuring these are reflected in service plans and performance;
 - improvements to performance management arrangements that will lead to a higher quality of performance reporting, more effective scrutiny by elected members and an increased focus on improving services;
 - implementation of more effective governance arrangements for arm's length organisations;
 - continued progress in learning and development for elected members.
11. Prioritising this corporate improvement activity is important, as it will help the council sustain the recent pace of change in key areas. A number of factors will affect the council's capacity to do this, including the need to consolidate recent changes to its organisational and political decision-making structures, the need to sustain and improve service performance and, the fact that recent recruitment to a number of management posts will take time to be fully effective.
12. The council has had a history of strained political working relationships and made some contentious decisions that have attracted high profile media attention and public interest. Examples include major capital infrastructure projects such as the Marischal Square development, and referring to the 2014 Scottish referendum in its 2014 council tax letter to households. These have divided opinion and attracted complaints and controversy.
13. However, recent steps to improve working relationships have been positive. The new Leader of the council, who was appointed in May 2014, and the new Chief Executive have an effective working relationship, and both demonstrate inclusive leadership styles. They are encouraging effective working using cross-party groups, and there are signs that working relationships are improving, although on occasion disrespectful exchanges between elected members do occur.

14. The council needs to sustain and build on the progress it has made, including implementation of its plans to introduce further protocols and guidance for the way members work with each other and with officers. These can help effective working and difficult decision-making in challenging times in the future, especially in the run up to Scottish Parliament and council elections over the next two years.
15. The council has improved its financial position since 2008 and it now has a record of sound financial management. This is a good foundation for delivering its next five-year business plan. The council has also built up considerable reserves. It can use these to meet unexpected and unplanned spending, but can do this only once. The council is at the early stages of identifying future savings as it moves into its next five-year budget cycle. In doing so, it can build on the good practice it has demonstrated in budget planning in recent years.
16. It is evident that there has been significant change at the council recently and the council's leadership has a focus on maintaining the momentum for improvement.

Background

17. The Best Value audit work at Aberdeen City Council took place in early 2015, around six months after the new council Leader and Chief Executive were appointed. The Chief Executive was previously the Director of Corporate Governance. She started with the council in that post in November 2013. The new Chief Executive is leading an ambitious programme of change that includes putting in place a new organisational structure that was proposed by her predecessor. The plans for operational improvement are wide ranging and include improving business processes and reviewing the management priorities and wider staff culture. As much of the work is at an early stage, it is not possible for us to assess if it is effective.
18. In response to the serious financial challenges that the Commission highlighted in 2008, the council put in place an extensive priority based budgeting process. This involved examining options for spending and for delivering services, so the council could rebuild its budgets. The council also put a voluntary early release scheme in place for employees and developed a five-year business plan. These processes were fundamental to turning round the council's financial position.
19. In its 2009 findings, the Accounts Commission welcomed the new management structures and senior management team that the council had put in place. The new Chief Executive at that time had recruited a new senior management team and reduced the numbers of heads of service from 25 to 16. The Commission noted early signs of change in the organisational culture and progress in implementing new performance management and budget setting processes. It recognised that, at that stage, the council still had much to do. It would also need to maintain a broad consensus to support the overall direction of travel and pace of change.
20. There have been further changes to Aberdeen City Council's political and managerial leadership since then. The May 2012 election led to a change in administration from a SNP-Liberal coalition, with a majority of 27 out of 43 elected members, to a Labour-Conservative-Independent coalition comprising 23 of the 43 elected members. The current administration introduced its 'Aberdeen - The Smarter City' programme of priorities in August 2012.
21. [Exhibit 1](#) illustrates the timeline of relevant events since the 2012 local government election.

Exhibit 1

Timeline of relevant events 2012 to 2015

Exhibit 1

Timeline of relevant events 2012 to 2015

- | | |
|-------------|---|
| 2012 | <p>May: Local government election-the SNP–Liberal Democrat coalition is replaced by a Labour–Conservative–Independent coalition</p> <p>August: The council approves 'Aberdeen: the Smarter City', the administration's programme and vision for the city</p> |
| 2013 | <p>August: Community Planning Aberdeen publishes its new Single Outcome Agreement (SOA)*</p> <p>Autumn: Change in Directors-Director of Social Care and Wellbeing and Director of Corporate Governance leave</p> <p>October: The council approves Aberdeen City's Strategic Infrastructure Plan (SIP)</p> <p>December: The council agrees to develop a masterplan to regenerate the city centre</p> |
| 2014 | <p>February: The council agrees to prepare a bid for city deal funding</p> <p>May: Aberdeen City Council approves a new corporate management structure with three directorates and a joint post with NHS Grampian</p> <p>Councillor Jenny Laing replaces Councillor Barney Crockett as Leader of Labour Group and the council</p> <p>July: Angela Scott leaves her post as Director of Corporate Governance to replace Valerie Watts as Chief Executive</p> <p>August: The council approves a new heads of service structure below the corporate management structure</p> <p>October: The council's committees are changed so they are in line with the new organisational structure</p> |

Note: * The SOA sets out a vision for 2022 that aims to deliver better outcomes for the people in Aberdeen City. It also sets out the role that Community Planning Aberdeen will play.

Source: Audit Scotland

Source: Audit Scotland

22. During 2012/13, there were changes to senior officer posts. New appointments were made to three of the five director posts and the council appointed a new head of finance. The council approved a new management structure in May 2014 consisting of three directorates and a joint post with NHS Grampian to integrate adult health and social care services provided by the council and the health board. This has reduced the numbers of directorates from five to four. The current Chief Executive took up post in July 2014, replacing the previous Chief Executive who took up the post in March 2011.
23. In October 2014, the council revised its committee structure to bring it in line with the new organisational structure, moving from five to three major service committees. [Exhibit 2](#) shows the current committee and management structures. The council appointed its new Leader in May 2014. This appointment followed a decision taken at the Labour Group's annual general meeting to select a new group leader.

Exhibit 2

Aberdeen City Council core committee and corporate management structures



Source: Audit Scotland

24. During the last few years, the council has made some high profile decisions that have strained political working relationships. These have mainly been about strategic infrastructure and planning decisions, for example, on plans for the city's Union Terrace Gardens and Marischal Square. There is significant public interest in these issues, and Audit Scotland has received correspondence from members of the public about Marischal Square. We will consider the points they raise on this specific issue as part of the annual audit, reporting to the elected members and the Controller of Audit in autumn 2015. However, current arrangements in the

council provide a strong focus on implementing a clear framework for delivering infrastructure plans and these include cross-party discussions and commitment to the plans.

25. Strained relations have also been evident between the council and the Scottish Government. These centred on a visit by the then First Minister to a local school in June 2013 and subsequent protocols developed by the council. Again, this attracted considerable public attention and heightened political tensions both locally and nationally.
26. Controversy also arose in the early part of 2014 as a result of the content of a letter from the Leader of the council to all households that was enclosed with annual council tax bills. The letter included a reference to the forthcoming independence referendum and informed householders of the position taken by the council - which was in favour of Aberdeen being part of the United Kingdom. The statement in the council tax letter caused significant public concern and Audit Scotland received high numbers of correspondence from members of the public. In response, the Controller of Audit considered the issue, and the matter was also subject to a separate investigation by the Standards Commission.
27. The Controller of Audit considered that while the position as set out in the paragraph was an accurate statement of council policy, it was only one of 11 of the council's key policy or 'vision statements'. He said that including such a statement in council tax documents was very unusual and he was not aware of any other council including similar material about the referendum with council tax bills. Council tax regulations refer to what information should be included but do not explicitly prevent specific types of information from being included with council tax bills.
28. A hearing by the Standards Commission, concluded on 16 April 2015, found that councillors did not breach the councillor's code of conduct. The hearing panel found that *'the use of officers' time and Council resources was legitimate and in furtherance of Council business. The panel accepted that the paragraph of the letter was a restatement of Aberdeen City Council policy, which had been in the public domain since December 2013' and '... the Panel was not persuaded that the paragraph in the letter amounted to "party political or campaigning activities". There was a history of such a publication of this style, at this time, to accompany Aberdeen City Council Tax letters.'*

Audit assessment

Leadership and working relationships

The council Leader and Chief Executive work effectively together and have encouraged improved cross-party working and relationships. However, relationships between elected members can be challenging at times. The council should consider introducing further guidance for elected members and officers.

29. The Accounts Commission report, *How Councils Work - Roles and working relationships: Are you getting it right? (HCW)* notes that effective working relationships are characterised by:
- clearly understood political and managerial structures
 - professional and constructive relationships between councillors and between councillors and officers.
 - It also notes the advantages of cross-party groups to encourage constructive working relationships.⁷
30. The 2012/13 Annual Audit Report to Members and the Controller of Audit highlighted incidences of disrespectful behaviour from elected members in the council chamber. The report noted that this had led to the need for officers to cite the Code of Conduct for Councillors regularly. Strong local media interest in the council can heighten political tensions.
31. The elected members we spoke to are satisfied with the support they get from officers. For example, committee chairs welcome the regular meetings they have with directors. At times, elected members can robustly challenge officers. The officers we spoke to did not highlight any significant concerns with their working relationships with elected members.

The council leadership has encouraged more cross-party and consensual working.

32. The council's new Leader and Chief Executive are working effectively together. The Chief Executive has the support and confidence of the Leader to develop and implement her improvement plans. It is too early to assess the effectiveness of the Chief Executive's plans for improvement but she is setting out a structured set of objectives with her extended corporate management team.
33. The Leader and Chief Executive have an inclusive and consensual style of working, and this is helping to improve behaviours and working relationships. However, elected members commented in interviews during this audit, that instances of disrespectful behaviour still occur.
34. The council's leadership have taken positive steps to encourage joint working across political groups. Elected Members we spoke to commented that cross-party meetings had improved in recent months and were more useful forums for discussion. This includes Group Leaders' meetings, which bring together leaders from across the council's political groups. Reflecting a

⁷ Roles and working relationships: are you getting it right? How councils work: an improvement series for councillors and officers, Accounts Commission, August 2010

more consensual approach, the current Leader of the Administration has brought the major strategic issues for the council to this group for cross-party discussion, including major infrastructure planning.

35. In June 2014, the council Leader and the Chief Executive introduced a monthly meeting between the leaders of the administration groups and the Corporate Management Team (CMT). This is to allow the administration group to examine in detail the management team's progress with its priorities.
36. While these developments are important in establishing better working relationships across the council and can support effective delivery on key priorities, it will be important to bear in mind that transparency of decision-making and openness in scrutiny procedures are important, and these need to be at the core of the council's overall arrangements.
37. The HCW report⁸ notes that *Processes, systems and supporting documents do not guarantee good working relationships. But they do provide an essential framework and serve to remind people about what is expected, particularly when difficulties arise.*
38. In 2012, the council assessed members' roles and responsibilities in response to the HCW report. It found that most elected members understood the respective roles of councillors and officers. However, some were less clear on the distinction between the more strategic and monitoring role of elected members, and the operational role of officers. Consequently, in September 2012, the council approved a range of actions to improve elected member understanding of roles and responsibilities. The council did not to take forward a recommendation to supplement the code of conduct for councillors with a more tailored Aberdeen City Council code, but agreed to keep this under review.

The council has an elected member training and development framework but more progress can be made with the level of engagement from members

39. The council uses an elected member development framework that has been agreed by the political group leaders. It sets out a structured programme of development options and draws on good practice set out in the Improvement Service National Strategy. Elected members we spoke to consider the training they receive to be of value. However, the council reports that the uptake of many courses has been low with only small numbers of councillors attending. The council has yet to formally adopt the framework; doing so could contribute to better engagement from elected members. The council provided a good level of training for its new Audit, Risk and Scrutiny Committee and all members were required to attend. This training was well received and it is commendable that some elected members, who are not members of the Audit, Risk and Scrutiny Committee, chose to attend the training to help them with their wider scrutiny role.
40. The council should ensure that all elected members review their development needs and actively encourage them to take up appropriate training opportunities, building on the effective

⁸ Roles and working relationships: are you getting it right? How councils work: an improvement series for councillors and officers, Accounts Commission, August 2010

approaches it has already developed. Elected members have a responsibility to attend training. If they do not attend the training, this may mean that elected members are not as up to date on important issues for the council, their ward and their constituents.

Vision and strategic direction

The council has an agreed vision but it is not supported by a clear set of objectives and targets. The council needs to update its corporate planning framework to reflect shifts in corporate priorities and objectives. The council has a strong focus on developing infrastructure for the city. The Chief Executive is developing a corporate programme focused on improving customer experience, staff experience and use of its resources.

41. In August 2012, under the previous Leader and Chief Executive, the council formally adopted *Aberdeen - the Smarter City* as its corporate vision. It sets out high level priorities around six major themes:
- Smarter governance (Participation)
 - Smarter living (Quality of Life)
 - Smarter people (Social and Human Capital)
 - Smarter environment (Natural Resources)
 - Smarter economy (Competitiveness)
 - Smarter mobility (Transport and ICT)
42. The Smarter City vision does not define objectives and targets within its themes. The connections between the Smarter City vision and other plans are not clear, including the council's corporate plan, service plans and the Single Outcome Agreement. It is evident from discussions with elected members and senior officers that the council's current priorities are the strategic infrastructure plan and the internal improvement programmes currently in development. The current strategic and service level plans need updated or restructured to reflect shifts in priorities. The council needs to clarify its priorities and communicate these to staff. The most recent employee survey indicated that staff did not clearly understand the council's priorities.
43. The Chief Executive is aware that the corporate planning framework needs to be improved. She is planning a review of the council's overall service planning and performance management arrangements. This work is at the early stages. However, the council has made progress in putting in place effective planning and monitoring arrangements for its infrastructure development programme for the city and can build on this for other areas.
44. It is important that the council sets clear priorities for its services, particularly given there is evidence of some significant areas for improvement in service performance. The council's priorities in areas such as older people's care, educational attainment, and reducing inequalities are not clear. The Chief Executive is aware of the need to incorporate the

council's overall priorities for services into its overall planning framework, including making closer links with community planning.

The council has a focus on infrastructure development to revitalise the city. It is taking steps to secure political consensus over this in the longer term.

45. Aberdeen has experienced strong economic growth through the oil industry and this has put its infrastructure under significant pressure. The city's infrastructure needs include for example, developments in housing, roads, transportation and digital connectivity. They have a pivotal role in enhancing growth and supporting economic development. The council recognises this context and its 2013 Strategic Infrastructure Plan (SIP) clearly sets out a single programme of priorities for improving the city. It is also working closely with Aberdeenshire Council, the private sector and other partners to develop its City Region Deal⁹ proposal. This aims to attract additional government funding for its infrastructure programme.
46. The SIP brings a diverse range of development projects into a single programme. A 25 year 'masterplan' will include building schools and care homes, building affordable housing, transport developments and city centre regeneration. The SIP aligns with the local development plan and parts of the Smarter City vision such as housing, transportation, and providing facilities for social care and education.
47. The council engaged well with businesses to identify the overall priorities for the SIP. In June 2013, it held a visualisation day of influential leaders and representatives from all major sectors in Aberdeen. They included representatives from the oil and gas, construction, energy, transport, property, retail, tourism, academic, financial, technology and public sectors.
48. It is important in all councils that elected members work constructively together to support the work of the council, and deliver positive outcomes for the community as a whole. In Aberdeen, sustaining the city's infrastructure plans over the longer term is an important part of the council's plans to improve outcomes for the city and therefore it is important that elected members work constructively on this agenda.
49. The council continues to face difficult decisions over its plans to develop the city. For example, a bidder challenged aspects of the tendering process for the Marischal Square development in the Court of Session in 2013. The court did not uphold the challenge. The council's decision to remove the proposal for the pedestrianisation of Broad Street from the project led to public demonstrations and a formal request to hold a special council meeting to review the decision. After a lengthy meeting, which included deputations by members of the public, the council agreed by a narrow margin to proceed with the development.
50. Importantly in this environment, the council has taken positive steps to achieve cross-party support for its long-term plans to develop the city. For example, its City Centre Regeneration

⁹ City Region Deals are negotiated on an individual basis and allow city regions to gain financial support and powers from national government, giving local bodies greater control over spending and decision-making. In Aberdeen, the deal focuses on infrastructure and an economic strategy. It proposes the region receive up to £2.9 billion worth of funding from the Scottish and UK Governments as well as input from both councils, which have a combined capital plan programme over the next ten years that totals £1.4 billion.

Working Group has representatives from across political groupings, as well as from the academic and business communities. The group oversees the work of a private sector consultancy involved in delivering the city centre masterplan. The Group Leaders' meeting has also discussed strategic topics such as the city centre masterplan, the City Region Deal proposal, and an oil summit. At the time of our audit, the oil industry was entering a period of uncertainty because of the declining oil price. The council responded well to this, and in February 2015 initiated a summit of industry, business, and public sector representatives to discuss the implications and options for the city.

51. Councils face a period of some political uncertainty over the next few years with the Scottish Parliament election in 2016 and the local government election in 2017. Cross-party forums give opportunities for political groups to reach some consensus over more difficult or contentious issues that are important for the city as a whole. The council should build on these arrangements to:
- help elected members across the political groups remain committed to long-term strategic plans
 - ensure there are clear and structured governance arrangements in place to support cross-party groups and any groups involving third parties.

Performance management and scrutiny

The council has more to do to create a culture of effective performance management and improvement. It has areas of good practice that it can build on. It needs to put in place more consistent performance reporting for all services and implement its proposals for governing arm's length external organisations (ALEOs).

52. The 2009 Best Value progress report noted that the council still had work to do to introduce a performance culture throughout the organisation. Since then, the council has reviewed its arrangements. It has put in place an electronic system for monitoring its performance. The council has implemented priority-based budgeting and the systems developed for monitoring this are more advanced than the arrangements for monitoring other aspects of performance. The Chief Executive and CMT recognise refinements to the wider performance management arrangements are now needed, and this is reflected in current improvement plans.
53. Officers have access to detailed performance information through the council's electronic performance management system. The CMT monitors corporate performance, including progress with the strategic infrastructure programme. The council has developed a performance dashboard¹⁰ to monitor progress of the SIP and this is scrutinised regularly at the Finance, Policy and Resources committee. However, more widely, the quality of performance reporting to help elected members scrutinise performance varies.

¹⁰ Performance dashboard - in management information systems, a performance dashboard is an easy to read presentation of performance information often showing a graphical representation of current performance, comparative information and trends.

54. The council needs to set clear overall priorities and link these to its corporate and service plans and its staff appraisal process. The Chief Executive recognises this and the need to link the performance measurement activity to the council's strategic plans. In addition, the Chief Executive is planning to refocus performance measurement on outcomes. This is related to her aim to improve customer experience, staff experience and use of resources. She is also planning to review the effectiveness of the council's employee appraisal process. This work was only at the early stages at the time of the audit. The Chief Executive acknowledges that these changes will take time to implement fully.

The council has good structures in place for scrutiny but can improve the performance information it provides to elected members

55. Elected Members have an important role in scrutinising the service performance of the council and using this to drive improvement for the communities and service users they represent. Reporting good quality performance information to committee is an essential part of supporting elected members in their scrutiny role. Aberdeen's councillors scrutinise performance mainly through the three service committees, each of which covers a range of services; and through the Audit, Risk and Scrutiny committee; and the Finance, Policy and Resources committee.

56. Elected Members should ensure they are clear about where performance needs to improve, the context for performance issues and what actions the council is taking to address weaker performance. Performance indicators for services in Aberdeen show that there are some areas where performance does not compare well with the level of performance for Scotland as a whole. These include important service areas for the city's communities, for example, aspects of housing management and educational attainment. To be effective in their scrutiny role, elected members should require detailed information on:

- performance trends and progress against targets
- comparison with other councils
- the actions being taken by officers
- the context for the service that affects performance.

Exhibit 3 shows a few examples of where these services do not compare well with other Scottish councils. A fuller picture of the council's performance and the context across all of its services is set out in the council's public performance reporting pages on its website.¹¹

¹¹ Aberdeen Performs - http://www.aberdeencity.gov.uk/council_government/performance/aberdeen_performs/abp_aberdeen_performs.asp

Exhibit 3

Examples of Aberdeen City Council's housing and education performance, 2013/14

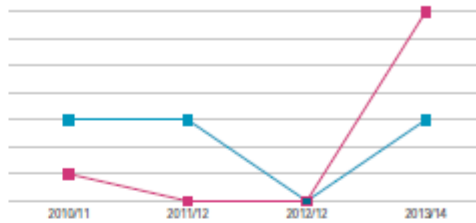
Exhibit 3

Examples of Aberdeen City Council's housing and education performance, 2013/14

Aberdeen City Council's performance compared with the Scotland average.

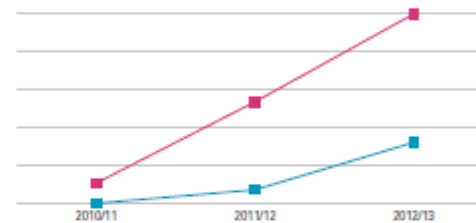
Rent lost due to empty properties

Rank in relation to other Scottish councils **20 out of 26**



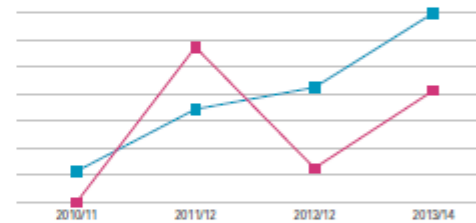
Rent owed to the council due to arrears (net)

Rank in relation to other Scottish councils (2012/13) **19 out of 26**



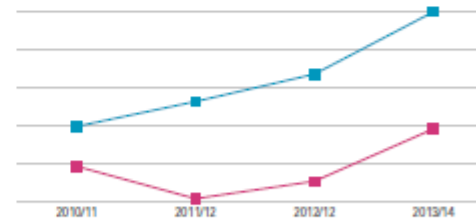
% secondary school pupils achieving 5+ Scottish Credit and Qualifications Framework (SCQF) awards by end of S6

Rank in relation to other Scottish councils **21 out of 32**



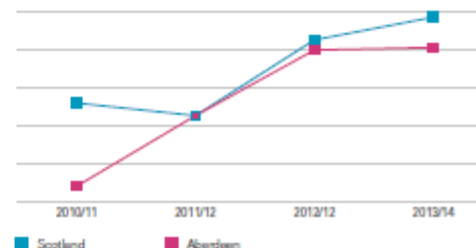
% secondary school pupils from deprived areas achieving 5+ SCQF awards by end of S6

Rank in relation to other Scottish councils **30 out of 32**



% of pupils entering a positive destination after leaving school (for example, higher education or employment)

Rank in relation to other Scottish councils **27 out of 32**



Source: Local Government Benchmarking Framework

Note: Rank refers to performance in 2013/14 except for the rent arrears indicator where the latest data available is 2012/13. All trend information covers the period 2010/11 to 2013/14 except for the rent arrears indicator, which covers 2010/11 to 2012/13.

57. In our audit interviews some elected members said they felt there was not enough scrutiny of performance at committees, agendas were often very long, and they sometimes received too much information. From our review of council reports and minutes, we found that there is considerable variation in the extent and quality of reporting on performance. Reports, including the council's public performance reports, do not consistently show performance trends, progress against targets, or comparisons. This limits elected members' ability to scrutinise performance and drive improvement in key areas.
58. The council should ensure, as the new committee arrangements mature, that its service committees allow enough time on their agendas for elected members to scrutinise performance. It should simplify the data it reports and consider using exception reporting, that is, highlighting where performance needs particular attention. This will help elected members focus on critical issues. Elected members should also be able to get access to more detailed information if they need it.
59. The council has information systems in place to support performance reporting and areas of good practice that it can build on. For example, the structured process to report progress with its SIP using a performance dashboard. This clearly sets out progress and risks in the council's infrastructure programme. The council is also piloting a corporate performance dashboard of council-wide data such as sickness absence, staff turnover and service-level indicators including customer satisfaction. The Chief Executive and CMT's current improvement programme includes a range of actions to further improve performance management and reporting. In developing these arrangements, it is important that elected members ensure that officers clearly understand what performance information they require and how they want it presented to them. This will help them scrutinise performance more effectively.
60. The HCW report notes that the effectiveness of audit and scrutiny committees is enhanced by good quality and timely reports; specialised training for councillors to help them in their role; and chairing by opposition members. Aberdeen City Council has put in place several aspects of this good practice. For example, the convener of the Audit, Risk and Scrutiny Committee is required to be a member of the largest opposition group, and all committee members have received training on scrutiny, including risk management. At the time of our audit, the committee had only met twice since the new committee arrangements began, so it was too early to assess if it was being effective. However, with its focus on risk, performance, and external audit reports, it is showing signs of being a good model for taking forward scrutiny.

The council needs to progress its plans to put in place systematic monitoring of its ALEOs

61. The Accounts Commission report, *How councils work: Arm's-length external organisations (ALEOs): are you getting it right?*¹² notes that councils need good quality monitoring information of ALEOs so they are aware of their finances, risks and performance. Information should be current to allow prompt action to be taken. Elected members must clearly

¹² How councils work: an improvement series for councillors and officers - Arm's-length external organisations (ALEOs): are you getting it right?, Audit Scotland, June 2011

understand their roles in relation to arm's-length organisations to ensure that they have the appropriate skills and are aware of the potential for conflicts of interest.

62. The council uses ALEOs to deliver services in areas such as sports and recreation, conference facilities, and more recently older people's care services ([Exhibit 4](#)). Councils are increasingly using this approach to delivering services. The council has noted that its spending through ALEOs has grown from less than one per cent in 2009/10 to almost nine per cent of its revenue budget in 2014/15.

Exhibit 4

Scale of Aberdeen City Council's largest ALEOs

Organisation	Functions	Approximate turnover*
Bon Accord Support Services Ltd	Delivers care services and associated support services for elderly care in Aberdeen	£16.7m
Bon Accord Care Ltd	Provides regulated care services to Bon Accord Support	£12.9m
Sport Aberdeen Ltd	Indoor and outdoor sports and recreational facilities, including swimming pools and golf courses	£10.8m
Aberdeen Exhibition and Conference Centre Ltd	Managing and organising exhibitions, conferences and other events	£7.1m
Aberdeen Sports Village Ltd	Sports and recreational facilities, including elite sports facilities, and organising sports and recreational activities	£2.6m
Aberdeen Heat and Power Ltd	Provides affordable energy, with low environmental impact	£2.3m

Note: * Figures at 2012/13.

Source: Aberdeen City Council

63. In February 2014, the council set out a sound proposal to strengthen its governance arrangements for these bodies ([Exhibit 5](#)).

Exhibit 5

The council's proposal for overseeing its ALEOs

Acting on advice from its internal auditors, the council proposed using 'governance hubs'. These bring together service representatives and officers from the council's finance, legal, human resources, risk management and procurement teams. Their role will be to scrutinise in detail each of the council's significant ALEOs.

This will involve regularly meeting with the ALEOs and reviewing a range of risk and performance information. The hubs will report to service committees twice a year on ALEOs' operational performance (including financial performance), people performance, risk management and service quality. The hubs will also report quarterly to the audit, risk and scrutiny committee, which retains overall responsibility for scrutinising performance.

Source: Audit Scotland

64. The council's progress in implementing these proposals has been slow. Officers monitor and liaise with ALEOs regularly, and there are some examples of reports to elected members. However, the hub model to report through to elected members systematically is not yet in place.
65. The new Chief Executive is aware that this is an issue. The ongoing organisational restructure, including changes within the Corporate Governance directorate, has affected the council's progress with implementing the hub model. A report to the council's May 2015 Extended Corporate Management Team, sets out plans to take forward the hub model. At the time of our audit, an initial meeting was planned for June 2015 that would report to the following Audit, Risk and Scrutiny Committee.
66. The council should also review its practice and put in place clear protocols and guidance for elected members taking a role on ALEOs. It operates a range of different approaches. In the case of Bon Accord Care, elected members do not sit on the ALEO board. This helps to reduce the risk of conflicts of interest through a clear division of roles and responsibilities. In other ALEOs, the council nominates elected members to ALEO boards, typically in proportion to the political make-up of the administration. There is no clear process for their selection, for example, that takes their skills and experience into account.
67. At the time of our audit fieldwork in February 2015, the council's finance team had just introduced a first meeting of a forum that will continue on a quarterly cycle to bring together finance officer representatives from across all ALEOs. This is a good example of the council working with its ALEOs to share its perspective of the financial climate and to discuss expectations and common issues relevant to ALEOs. At the initial meeting, representatives discussed human resources, including the living wage and progress with equal pay claims..

The forum also discussed the potential for a collaborative approach to identify savings and efficiencies that would benefit both parties.

Financial management and organisational improvement

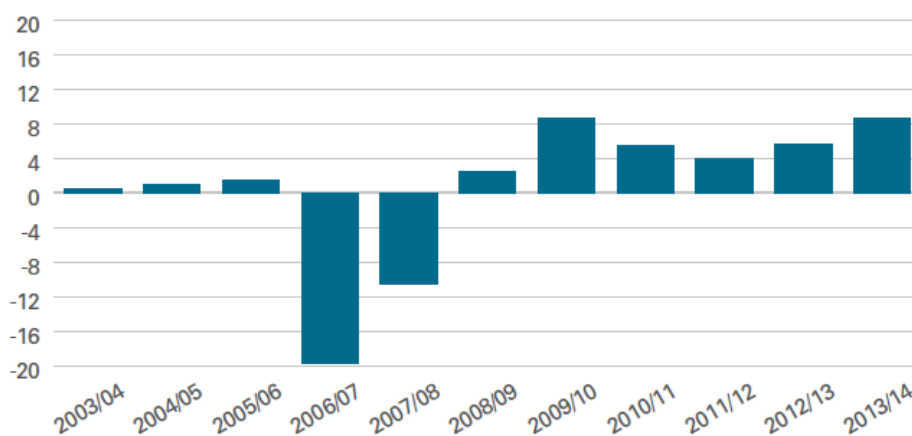
The council has established a record of sound financial planning and management. This is a good foundation for delivering its next five-year business plan. It must manage its priorities carefully to ensure it is able to deliver these against a backdrop of continuing change and workforce pressures.

The council has continued to strengthen its financial management and programme management

68. Financial management in the council is sound and it has a robust medium-term budget-setting process in place. The council has also recognised the need for long-term financial planning by setting out the social and economic factors likely to impact on its financial plans up to 2050. This long-term view of the challenges ahead will provide a useful context for considering the impact of potentially difficult decisions ahead.
69. Before 2008 the council incurred significant deficits by overspending social work budgets due to increased demand for services and the cost of dealing with equal pay claims. In response to the critical findings in the 2008 Best Value report the council stabilised its financial position. This involved releasing more than 500 staff using an early release scheme. After a period of significant financial deficits, the council reported a surplus position against its 2008/09 budget ([Exhibit 6](#)). In 2010, the council introduced its first five-year business plan and priority-based budget (PBB).

Exhibit 6

Aberdeen City Council - Total General Fund surplus - £m



Source: Audit Scotland

70. The council's business plan sets out its strategic budget priorities over a five-year period. The PBB process helps budget decision-making by identifying a wide range of savings and efficiency improvement projects within a single programme.
71. The council established its programme management office (PMO) in March 2011 to deliver the business plan and PBB. The PMO brings together commercial expertise including procurement, legal, financial and project management. Using this approach, the council made £72 million of savings over the five year period to 2015/16. It achieved these savings mainly by reducing its workforce, changing procurement arrangements for buying goods and services, service redesign - that is, delivering services in different ways - and managing vacancies.
72. The council has usable reserves including a general fund and capital fund. These help the council to manage unpredictable financial pressures and plan for future spending commitments. Between 31 March 2010 and 31 March 2014, the council was able to increase its usable reserves from £45 million to £117 million. Around 40 per cent of the total is allocated for specific purposes. This includes £18 million, which has been set aside to provide some flexibility for services if their budget assumptions are incorrect and result in additional costs.
73. The council has an annual revenue budget of approximately £460 million and over the next few years it has identified a shortfall between income and the cost of providing services. For the five year period ending 31 March 2020, the council needs to reduce its cumulative spending by £50 million. While the level of reserves will provide some cushion, they are a contingency fund that the council can only use once. The council is identifying further savings through procurement and service redesign. The Chief Executive has also started a programme to develop the council's budgeting process to link it more closely to the outcomes it is aiming to achieve.
74. The council recently issued a workforce planning document, *Shaping Our Future Workforce 2015-2020*. It sets out a good corporate framework for directorates to identify workforce demands and the actions needed to bridge any gaps. The effectiveness of this will depend on the approach each service directorate takes. At the time of our audit, this work was ongoing with each director being required to submit their individual workforce plans to their parent committee over the summer of 2015.

The council is open to alternative ways of working

75. Best Value requires councils to demonstrate continuous improvement. Options appraisal is an important part of this to ensure councils make the best use of public resources such as money and property. The council is open to new ways of working. This is clear from changes the council has implemented over recent years that include the following:
- Significantly reducing its spending to 2015/16 through its medium-term budget planning process. This has included reducing its workforce, procurement and contract review efficiencies, and redesigning care services.
 - Implementing a major office rationalisation in 2011 by bringing staff from across the council into a refurbished and modernised city centre location. It reduced the number of

corporate offices from 17 in 2010 to 10 in 2015 and it is identifying how to make further efficiencies through flexible working arrangements.

- Creating an arm's-length wholly owned company to deliver care services for older people and looking at opportunities to apply this model more widely.
- Setting up, as part of its shared service agenda, joint procurement and internal audit functions with Aberdeenshire Council. The Programme Management Office (PMO) operates across both councils. The council also has a shared head of finance post with Shetland Islands Council.

76. The arrangement to share the head of finance post with Shetland Islands Council is a pilot exercise for one year to December 2015. This post carries the statutory finance role of the council (the Section 95 officer). We recognise this is an example of collaborative working that offers potential benefits through sharing expertise and costs between the two councils. However, there is a risk that the finance teams will not have the capacity to deal with major issues if they arise in both councils at the same time.
77. The arrangement was subject to a business case that recognised these risks. As part of its implementation, Aberdeen has strengthened its finance team. This included nominating a finance manager post to deputise for the head of finance. The council has committed to review the arrangement after six months' operation. We would also expect the councils to monitor the situation on an ongoing basis and only continue the arrangement if there are clear benefits and manageable risk. External auditors for Aberdeen City Council and Shetland Islands Council will also monitor the arrangement.

The council needs to carefully manage its corporate improvement programme so that it can sustain the recent pace of change

78. The council has increased its capacity for budget planning and change by enhancing the role of its programme management office and increasing the size and skills mix of this team. This office now manages the council's strategic infrastructure plan and it will also support the council's future improvement programmes. At the time of our audit, the council was recruiting to the posts of Head of Information Technology and Transformation, and the Head of Communication and Promotion. The council has now filled these posts. They will be central to the council's plans for change.
79. Since the Chief Executive took up her post, she has progressed the management restructure planned by her predecessor. She is also putting a significant programme of actions in place for organisational improvement. These are now starting to be developed, although it is too early to assess if these arrangements are effective. Her improvement plans are wide ranging and include for example projects and actions to:
- develop an organisational culture focused on a balance of the use of resources, outcomes for customers and staff experience
 - improve performance management arrangements and the connections between strategic plans, improvement planning and service planning

- develop arrangements for change and improvement to effectively manage financial challenges and equip staff to engage in this process
- create an 'Improvement and Transformation Hub', pulling together staff with a range of specialist skills into a corporate resource to support innovation and change across the organisation
- strengthen the organisation's approach to the management of risk, recognising that encouraging innovation and change needs enhanced risk management.

80. The council needs to assess the capacity of its employees to take forward its programme of change. The council's most recent employee survey of March 2015 highlighted employee concerns over workload pressures. As a prosperous city with a very high cost of living, Aberdeen has historically suffered from difficulties in recruiting employees including key workers such as carers, teachers, and trades people. This adds to the council's workforce pressures.

81. The Chief Executive's improvement plans recognise staff capacity and capability as core elements. She recognises the importance of staff being engaged in the improvement and transformation of the organisation. The recently appointed Head of Communication and Transformation will have a key role in ensuring staff are informed, consulted and engaged in improvement and transformation activity. The council also has plans to engage elected members more closely in change and improvement through its elected member development framework. This now includes the role of elected members in promoting change and improvement.

82. The council now needs to manage its priorities carefully to deliver its programme of change. This includes its major infrastructure programme, the City Region Deal, and health and social care integration. It needs to consolidate its new organisation structure and develop its plans for its working culture and practices. Importantly, with this significant range of activity it must not lose sight of how services are performing.

Areas for improvement

83. Our report's summary notes that, at the time of our audit, the council was undergoing significant change, including recruiting to key posts. The council has established areas of good practice including its medium-term budget planning process. It has also taken positive steps to improve working relationships. It is important that the council continues to make progress in these areas and it should:

Vision and Strategic Direction

- review how the political priorities of Smarter Aberdeen, the SIP, the City Region Deal and the City Centre Masterplan are linked through to service plans
- consider the capacity and capability required to deliver the strategic priorities against the recruitment challenges experienced in the North East

Leadership and working relationships

- build on the use of cross-party groups to help maintain political consensus and commitment to the council's long-term priorities
- sustain improved working relationships, and consider plans to introduce further protocols and guidance for member to member and member to officer working

Performance management and scrutiny

- implement plans to refocus performance measurement on outcomes
- ensure clear links between the performance information submitted to members for scrutiny and the council's strategic plans
- fully implement arrangements for enhanced scrutiny of ALEOs through the governance hub.

Financial management and improvement

- ensure the necessary organisational capacity for transformation is in place in readiness for anticipated budget reductions
- build further elected member and staff engagement in the change programmes