

COMMENTS ON OVERVIEW OF LOCAL AUTHORITY AUDITS 2008

Audit Scotland have published an overview of their findings from the audits on local government for 2007-08. This note picks out the key messages in each section of the Audit Scotland report and identifies the position or action in Argyll and Bute. In general terms the Council has already identified the important issues flagged by Audit Scotland and put arrangements in place to develop/improve these. There is an element of repetition as some of the actions in place/planned by the Council cover more than one of the key messages.

Ref No.	KEY Messages	ARGYLL & BUTE COMMENT
1	At a time of increasing demands on services, councils face difficult decisions in allocating resources and providing financially sustainable services. Current economic conditions necessitate even greater emphasis on efficiency and the effective use of resources.	Revised efficiency plan for 2009-10 to 2012-13 and more strategic approach to budget being developed.
2	The outcomes-based approach is developing, and Single Outcome Agreements (SOAs) should now be the main vehicle for councils and their partners to plan and achieve better outcomes for their communities and continuous improvement in their services. The SOAs bring new challenges for councils in governance, public accountability and performance management.	The Improvement Plan contains commitments to implement revised governance structures for Community Planning and implement the PPMF for Community Planning.
3	The effectiveness of governance and accountability has a direct impact on the quality of services. Development is essential to support elected members in carrying out their complex role and to enhance governance and scrutiny. Effective performance management has been a requirement under Best Value for some time, and it is now critical to support SOA implementation and development.	Council has developed PPMF and performance scorecards will be in place during 2009-10. This includes implementing performance scorecards for Community Planning.
4	Councils generally reported a better financial position than predicted for 2007/08, mainly due to under spending in	Single status already implemented. General fund contingency maintained for 2008-

	<p>some services and lower than expected financing costs. However, they continue to face significant financial pressures and some councils are experiencing difficulty in maintaining reserves in line with their policies. Those councils that have yet to implement single status need to do so as a matter of urgency.</p>	<p>09. Overall costs contained within overall budget for 2008-09 but there are clear areas of significant pressures. Financial outlook being monitored.</p>
5	<p>Evidence from sources, including the Statutory Performance Indicators and audit and inspection reports, indicates that services are improving across a range of areas.</p>	<p>The Council has received positive feedback from both follow up inspections in Education and Social Work. In terms of SPI's the follow up report on best value contained the following:</p> <p>“Between 2005/06 and 2007/08, the council's performance improved by five per cent or more on 24 measures and worsened by five per cent or more on 16 measures. This gives a ratio of improvement to decline of 1.5. This compares to a ratio of improvement to decline of 0.77 at the time of our original audit in 2005. We are not yet in a position to compare this against the national average for the latest SPIs. However, between 2004/05 and 2006/07 the national average for the ratio of improvement to decline was 1.4”.</p>
6	<p>We are committed to developing more risk-based and proportionate scrutiny of local government with our partners in the inspectorates, and this is fundamental to the development of Best Value 2. The annual financial audits are increasingly important in the current economic environment, providing independent assurance on the financial position and on financial governance and management.</p>	<p>Noted.</p>
7	<p>Local government has a key community leadership role and provides a range of vital social and economic services. Increasing costs, demands from service</p>	<p>Revised efficiency plan for 2009-10 to 2012-13 and more strategic approach to budget being developed</p>

	users and the focus on national priorities are leading to increasingly difficult decisions for councils in allocating resources and are necessitating an even greater emphasis on efficiency and the effective use of resources.	
8	The concordat between the Scottish Government and COSLA provides the basis for a new relationship between central and local government. Single Outcome Agreements (SOAs) are developing and bring new challenges for councils and their partners in governance, public accountability and performance management.	The Improvement Plan contains commitments to implement revised governance structures for Community Planning and implement the PPMF for community Planning.
9	The outcomes-based approach, embodied in SOAs, makes it more important than ever that councils and their partners work together to achieve continuous improvement in their services and for their communities. There is still a good deal to be done to make sure SOAs fulfil their potential, in terms of planning and securing improvements on both high-level strategic priorities set out in SOAs and in supporting services provided by councils and their partners. Accountability and governance, performance management, and public performance reporting in particular, will need further development during 2009.	The Improvement Plan contains commitments to implement revised governance structures for Community Planning and implement the PPMF for community Planning.
10	Effective performance management has been a requirement under Best Value for some time and is now critical to support SOA implementation and development.	Council has developed PPMF and performance scorecards will be in place during 2009-10. This includes implementing performance scorecard for community Planning.
11	Councils need to be more systematic in consulting communities and could make better use of area committee structures where these are in place. In general, they need better information about the make-up of their communities and their needs.	Developing a community engagement strategy as per Improvement Plan. Customer satisfaction and feedback is one aspect measured in the performance scorecard. The Improvement Plan contains a

		commitment to develop an external and internal communications strategy.
12	Leadership by elected members and senior officers is central to creating a culture that promotes improvements in outcomes for communities. Development is essential to support elected members in carrying out their complex role and to enhance governance and scrutiny.	An extensive training programme for members was delivered after the 2007 election. Members will receive training on PPMF and performance scorecard.
13	Councils generally reported a better financial position than predicted for 2007/08, mainly due to under spending in some services and lower than expected financing costs. However, they continue to face significant financial pressures, particularly from workforce costs and service demands in education, social work and waste management.	Single status already implemented. General fund contingency maintained for 2008-09. Overall costs contained within overall budget for 2008-09 but there are clear areas of significant pressures. Financial outlook being monitored.
14	General Fund reserves have increased but around two-thirds of the amounts held are earmarked for future expenditure. Some councils are experiencing difficulty in maintaining reserves in line with their policies.	Council has successfully maintained its general fund contingency.
15	There is continuing slippage in capital spending. The current economic position means it is more difficult for councils to generate income from the disposal of property to finance capital and they may have to reassess their capital programmes.	The Council incurred slippage of £4.5m during 2007/08 out of a budget of £22.1m.
16	More work is required to develop a strategic and corporate approach to the management of operational assets linked to financial strategies and plans.	Revised remit for Asset Management Board and commitment to deliver improved asset management in Improvement Plan.
17	Councils have been slow to develop workforce management plans because of their focus on single status and dealing with equal pay claims. Those councils that	Single status implemented. Commitment and Improvement Plan to implement HR Strategy, develop Employee Development

	have yet to implement single status need to do so as a matter of urgency.	<p>Strategy and begin Workforce Planning in terms of</p> <ul style="list-style-type: none"> • review and extend Growing Our Own • Protocol for chief officer appointment • Develop recruitment strategy
18	Councils are giving more emphasis to the needs of the people who use their services. They are making progress in improving customer care but there needs to be more consistency across service areas.	<p>Developing a community engagement strategy as per Improvement Plan. Customer satisfaction and feedback is one aspect measured in the performance scorecard.</p> <p>The Improvement Plan contains a commitment to develop an external and internal communications strategy.</p>
19	Evidence from sources, including the Statutory Performance Indicators and audit and inspection reports, indicates good services across a range of areas.	<p>The Council has received positive feedback from both follow up inspections in Education and Social Work. In terms of SPI's the follow up report on best value contained the following:</p> <p>“Between 2005/06 and 2007/08, the council’s performance improved by five per cent or more on 24 measures and worsened by five per cent or more on 16 measures. This gives a ratio of improvement to decline of 1.5. This compares to a ratio of improvement to decline of 0.77 at the time of our original audit in 2005. We are not yet in a position to compare this against the national average for the latest SPIs. However, between 2004/05 and 2006/07 the national average for the ratio of improvement to decline was 1.4”.</p>

20	Councils generally respond positively to findings from audits and inspections and seek to address areas highlighted as in need of improvement.	Noted
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