



Argyll and Bute Council

Audit of Best Value and Community Planning - Progress Report

Last updated 018 November 2009

1 Main Findings

1 Introduction

- 1.1 The Local Government in Scotland Act 2003 established best value and community planning as statutory duties for local authorities. The Accounts Commission introduced arrangements for the audit of best value based on a cyclical approach involving a full review by a specialist team once every three years. In the intervening years short follow-up reviews are carried out by the local auditor. This is the final year of the current best value audit arrangements with new scrutiny arrangements taking effect from 2009-10.
- 1.2 A report on the audit of best value and community planning (BVA) was published in February 2006. The Commission agreed to require a further report on the best value audit of Argyll and Bute Council as at 31 December 2007 and this report was issued in December 2008. The Commission acknowledged that the Council had made progress in a number of key areas, including corporate leadership and strategic direction, but concluded that overall there was a clear need to increase the pace of change and ensure a number of systems and processes for supporting best value were successfully implemented.
- 1.3 As part of our 2008-09 audit, we have followed up the progress made by the Council in addressing the improvement agenda prepared in response to the 2008 best value audit. Our audit has covered the following key areas
- an evaluation of progress in achieving Improvement Plan objectives
 - an assessment of the overall achieved improvement to date
 - an assessment of the prospects for future improvement.

2 Overall conclusions

- 2.1 The Council has responded positively to address the areas for improvement identified in Audit Scotland's recent best value report and has made good progress in implementing the Improvement Plan developed following the appointment of the new Chief Executive.
- 2.2 In particular, the Chief Executive has implemented a strategy which has resulted in a significant improvement in the Council's best value arrangements and has increased the pace of change and reform to meet best value expectations. This addresses a key area of weakness highlighted by Audit Scotland as requiring priority action.
- 2.3 The Council recognises that it needs to continue with the current pace of change and to ensure improvements in performance and strategic management lead to real and measurable improvement in service delivery outcomes and service user satisfaction. We are satisfied that officers and members understand the scale of this challenge and are committed to achieving the necessary improvement. Correspondingly, we regard the Council's prospects for future improvement as good.

3 Key Findings

- 3.1 The Council has, with few exceptions, completed all of the improvement actions contained in the Improvement Plan prepared following the appointment of the new Chief Executive. In particular, the Council has made significant progress in revising its corporate planning, strategic and performance management arrangements.
- 3.2 A key achievement has been the adoption of the Planning and Performance Management Framework (PPMF) as a basis for co-ordinating improvement activity. The associated development of departmental and Council balanced scorecards has resulted in greater transparency in performance outcomes across Council service and more focussed development and use of information generated through the Pyramid performance management system.
- 3.3 The Council has also invested in leadership development for its senior staff, with particular emphasis on developing skills in project and performance management. Our audit confirmed that all departments are using performance information more proactively to improve and develop Council services and there is a greater level of engagement across the Council in delivering the process for change agenda.
- 3.4 The process of designing, implementing and communicating the revised approach to corporate, performance and project management has been the focus of the Council's senior staff over the past year and it is too early to assess the impact of these changes on service delivery improvement. We note, however, that many of the Council's services continue to record good levels of performance as measured by statutory performance indicators, but that performance is 'patchy' across services. In some corporate priority areas, such as children's services and adult social care services, performance is often below the national average as per the SPI results for 2008/2009.
- 3.5 The Council recognises the need to demonstrate improvement in service outcomes, particularly to meet the revised expectations set out by the Accounts Commission following its recent review of the best value audit regime. We are satisfied that the Council now has a robust performance reporting framework in place which will enable it to achieve this going forward. This position has been strengthened by the Council's recent adoption of the Public Service Improvement Framework, which provides a consistent framework for service improvement across the Council.
- 3.6 The current economic climate is likely to result in a significant decline in future funding for public services. This will occur at a time when demand for services, particularly care services, is increasing and wage and energy costs are forecast to increase at levels above inflation. The Council is in the process of preparing its plans to meet this financial challenge and has recognised the need to achieve increased levels of efficiency in its operations. There is some scope for further development of the Council's approach to competition in focussing services on meeting the needs of users whilst reducing cost overall.
- 3.8 The Council has also taken action to re-invigorate its approach to community planning, resulting in clearer planning, performance management and governance arrangements. As part of this, the Council has revised the role and remit of area committees. These changes remain at an early stage of development and arrangements to monitor partners' contributions to achieving Single Outcome Agreement targets are now in place (through the Community Planning Partnership's (CPP's) adoption of the PPMF) although at an early stage of implementation. The CPP remains on track for delivering key objectives in line with agreed plans.

3.9 As noted above, our audit confirms that the Council is taking action to address all areas identified by Audit Scotland as requiring improvement and we are satisfied with the pace of reform overall. At the time of our audit the Council was in the process of developing and implementing a range of corporate plans and processes. These development areas were on track for delivery in accordance with the Council's own plans and timescales, but were not covered by our audit and are summarised below:

- reform of strategic financial management arrangements is in progress, but will not be completed until summer 2010
- development of an employee involvement strategy has been delayed to allow the new Head of Service to review the Council's overall workforce strategy
- arrangements for asset management remain in the process of development, and we note that a schools estate strategy has been developed and a detailed action plan is in place setting key milestones for improved asset management more generally
- corporate risk management arrangements have been significantly improved since our last audit and we noted that risk management is developing across all services
- the Council has improved its public performance reporting arrangements since our last review and has plans in place to co-ordinate how it communicates with its service users across all of its services. The Council has done some work to identify the information requirements and expectations of its service users.

4 The Way Forward

4.1 It is the responsibility of management to determine the system of best value that is most appropriate to the Council. The Council is currently undergoing a significant level of change as it takes forward its improvement agenda and we are satisfied that the Council is taking action across the key areas for improvement identified by Audit Scotland.

4.2 The Council should review and refine its existing improvement plan in light of the issues identified following our follow up best value audit and to ensure it is well prepared to respond effectively to the revised 'best value 2' scrutiny arrangements.

5 Acknowledgements

5.1 We would like to take this opportunity to thank the officers who have been involved in this review for their assistance and co-operation.

5.2 This report is part of a continuing dialogue between the Council and us and is not, therefore, intended to cover every matter that came to our attention. Our procedures are designed to support our audit and they cannot be expected to identify all weaknesses or inefficiencies in the Council's systems and work practices.

5.3 The report is not intended for use by third parties and we do not accept responsibility for any reliance that third parties may place on it.

Grant Thornton UK LLP

5 November 2009