

The Accounts Commission for Scotland

Agenda

Meeting on Thursday 15 May 2014
in the offices of Audit Scotland, 18 George Street, Edinburgh

The meeting will begin at 10.00am

1. **Apologies for absence.**
2. **Declarations of interest.**
3. **Decisions on taking business in private:** The Commission will consider whether to take items 9 to 17 in private.
4. **Minutes of meeting of 10 April 2014.**
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. **Community Planning in Falkirk:** The Commission will consider a report by the Controller of Audit and the Auditor General for Scotland.
8. **Best Value audit (follow-up): Comhairle nan Eilean Siar:** The Commission will consider a report by the Controller of Audit.

The following items are proposed to be considered in private:

9. **Community Planning in Falkirk:** The Commission will consider the action it wishes to take on the report.
10. **Best Value audit (follow-up): Comhairle nan Eilean Siar:** The Commission will consider the action it wishes to take on the report.
11. **The Shared Risk Assessment process and Best Value audit work:** The Commission will consider a report by the Director of Performance Audit and Best Value.
12. **National Scrutiny Plan 2014/15:** The Commission will consider a report by the Director of Performance Audit and Best Value.
13. **Expectations of audit – feedback and next steps:** The Commission will consider a report by the Assistant Auditor General.
14. **Performance audit: Scotland's public finances: additional information:** The Commission will consider a report by the Director of Performance Audit and Best Value.
15. **Performance audit – draft report: School education:** The Commission will consider a report by the Director of Performance Audit and Best Value.
16. **National Fraud Initiative: 2012/13 exercise:** The Commission will consider a report by the Assistant Auditor General.
17. **Commission business matters:** The Commission will discuss matters of interest.

The following papers are enclosed for this meeting:

Agenda Item	Paper number
Agenda Item 4: Minutes of meeting of the Commission of 13 March 2014	AC.2014.5.1
Agenda Item 5: Report by Secretary and Business Manager	AC.2014.5.2
Agenda Item 7: Report by Controller of Audit	AC.2014.5.3
Agenda Item 8: Report by Controller of Audit	AC.2014.5.4
Agenda Item 11: Report by Director of Performance Audit and Best Value	AC.2014.5.5
Agenda Item 12: Report by Director of Performance Audit and Best Value	AC.2014.5.6
Agenda Item 13: Report by Assistant Auditor General	AC.2014.5.7
Agenda Item 14: Report by Director of Performance Audit and Best Value	AC.2014.5.8
Agenda Item 15: Report by Director of Performance Audit and Best Value	AC.2014.5.9
Agenda Item 16: Report by Assistant Auditor General	AC.2014.5.10

ACCOUNTS COMMISSION

MEETING 15 MAY 2014

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, 10 April 2014, at 10.00am

PRESENT: Douglas Sinclair (Chair)
Michael Ash
Alan Campbell
Colin Duncan
Sandy Cumming
Christine May
Bill McQueen
Linda Pollock
Graham Sharp
Pauline Weetman

IN ATTENDANCE: Fraser McKinlay, Controller of Audit
Paul Reilly, Secretary and Business Manager
Angela Canning, Assistant Director, PABV [Item 11]
Antony Clark, Assistant Director, PABV [Items 9 and 9A]
Angela Cullen, Assistant Director, PABV [Item 10]
Cathy MacGregor, Project Manager, PABV [Item 11]
Michael Oliphant, Project Manager, PABV [Item 10]
Mark Roberts, Senior Manager, PABV [Item 9]
Fiona Selkirk, Project Manager, PABV [Item 9]
Claire Sweeney, Senior Manager, PABV [Item 11]

<u>Item No</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Decisions on taking business in private
4.	Minutes of meeting of 13 March 2014
5.	Update report by the Secretary and Business Manager
6.	Update report by the Controller of Audit
7.	Accounts Commission Code of Conduct
8.	Local Government Benchmarking Framework: Overview Report 2014
9.	Community Planning in Glasgow
9A.	Community Planning in Glasgow
10.	Performance audit – draft report: Scotland’s public finances – a follow-up report [<i>in private</i>]
11.	Performance audit – draft report: self-directed support [<i>in private</i>]
12.	Commission business matters [<i>in private</i>]

1. Apologies for absence

It was noted that apologies for absence had been received from Colin Peebles.

2. Declarations of interest

The following declarations of interest were made:

- Bill McQueen, in item 10, as a member of the board of the Scottish Fire and Rescue Service.
- Michael Ash, in item 11, as a member of the Board of NHS Lothian, Chair of East Lothian Community Health Partnership and member of East Lothian Community Planning Partnership.
- Linda Pollock declared that she would not be taking part in the consideration of item 11, being a member of the boards of Enable Scotland and the Care Inspectorate.

3. Decisions on taking business in private

It was agreed that items 9A to 12 should be taken in private as they contained draft reports and confidential issues.

4. Minutes of meeting of 13 March 2014

The minutes of the meeting of 13 March 2014 were submitted and approved, subject to:

- Including in the list of those present Paul Reilly, Secretary and Business Manager.
- In relation to item 9, noting advice from the Secretary and Business Manager that a discussion on the experience in Highland would take place at the June meeting of the Commission.
- In relation to item 10, noting advice from Bill McQueen that it was his intention that all audit firms would be invited over time to a meeting of the Financial Audit and Assurance Committee.

5. Update report by the Secretary and Business Manager

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

During discussion the Commission:

- In relation to paragraph 4 (An overview of local government in Scotland 2014), noted advice from the Secretary and Business Manager that the Deputy First Minister had welcomed the report in an answer she gave during First Minister's Questions in the Scottish Parliament on 3 April 2014.
- In relation to paragraph 23 (Public Petitions Committee: PE01488; Whistleblowing in local government), noted advice from the Secretary and Business Manager that a letter had been received from the Committee about their scrutiny of local authority whistleblowing policies, and he would:

- liaise with the Chair and Audit Scotland to respond appropriately.
- make the letter available for information in the members' portal.

Action: Secretary and Business Manager

- In relation to paragraph 40 (Ayrshire Roads Alliance), it was agreed that more information on the initiative be provided.

Action: Secretary and Business Manager

- In relation to paragraph 49 (Aberdeen City Council – Council Tax letter), noted advice from the Controller of Audit that he and Audit Scotland had received a number of letters from various parties about the matter, which he was currently investigating further.

Thereafter the Commission agreed to note the report.

6. 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.

It was agreed:

- That members be provided with information on the Audit Commission's value for money profiles.

Action: Secretary and Business Manager

- To note the Controller of Audit's report.

7. Accounts Commission Code of Conduct

The Commission considered a report by the Secretary and Business Manager proposing a new Code of Conduct for the Accounts Commission.

Following discussion, the Commission agreed:

- To approve the proposed Code of Conduct for the Accounts Commission.
- To consider, on an individual member basis, the implications of the Code.
- To note that the Secretary and Business Manager will provide information on specific aspects of the Code, notably paragraph 3.3.

Action: Secretary and Business Manager

8. Local Government Benchmarking Framework: Overview Report 2014

The Commission considered a report by the Secretary and Business Manager advising of the publication of the Local Government Benchmarking Framework Overview Report 2014.

During discussion, the Commission:

- Agreed that the Director of Performance Audit and Best Value liaise with the Improvement Service in relation to the following points:
 - The desirability of more information on arm's length organisations.
 - The desirability of more housing related information.

- The desirability of indicating the number of libraries being provided by councils.
- The desirability of information on burial services.
- The desirability of more information on cost of council tax collection.
- Establish any involvement of Education Scotland in the project, specifically in relation to school indicators.

Action: Director of Performance Audit and Best Value

- Noted the publication of the Local Government Benchmarking Framework: Overview Report 2014.
- Noted that Audit Scotland will be considering further the implications of the report on the Commission's work.
- Agreed that representatives of the project, including the Improvement Service, COSLA and CIPFA Directors of Finance, be invited to a meeting of the Commission to discuss the project further.

*Action: Director of Performance Audit and Best Value
& Secretary & Business Manager*

9. Community Planning in Glasgow

The Commission considered a report by the Secretary and Business Manager introducing the report of the audit of Glasgow Community Planning Partnership by the Controller of Audit and the Auditor General for Scotland, and seeking direction on how to proceed.

During discussion the Commission:

- In relation to paragraph 10 of the covering report, noted advice from the Secretary and Business Manager that the report, being made under Section 23 of the Public Finance and Accountability (Scotland) Act 2000, would not need to be laid before the Scottish Parliament.
- Agreed that future such reports on the audit of community planning partnerships provide information on the amount of support being given to the partnership.

Action: Controller of Audit

- Agreed to note the report and to consider in private how to proceed.

9A. Community Planning in Glasgow [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.

Following discussion, the Commission agreed to make findings as contained in the report to be published in early course.

Action: Secretary and Business Manager

10. Performance audit – draft report: Scotland's public finances – a follow-up report [in private]

The Commission agreed that this item be held in private to allow it to consider a draft performance audit report.

The Commission considered a report from the Director of Performance Audit and Best Value proposing a performance audit report, jointly with the Auditor General for Scotland, entitled *Scotland's public finances – a follow-up report* and proposing arrangements for its publication and promotion.

During discussion, the Commission noted advice from the Director, replying to a question from a Commission member, that four councils did not participate in the fieldwork for the audit.

Following discussion, the Commission agreed:

- To approve the draft performance audit report, made jointly with the Auditor General for Scotland, entitled *Scotland's public finances – a follow-up report*, subject to the audit team considering a number of points raised in discussion and consulting further with the sponsors of the performance audit, Bill McQueen and Pauline Weetman.
- That the proposed checklist for practitioners be shared with Commission members for comment.
- That the proposed engagement strategy be shared with Commission members for comment.

Actions: Director of Performance Audit and Best Value

11. Performance audit – draft report: self-directed support [in private]

The Commission agreed that this item be held in private to allow it to consider a draft performance audit report.

The Commission considered a report from the Director of Performance Audit and Best Value proposing a performance audit report, jointly with the Auditor General for Scotland, entitled *Self-directed support* and proposing arrangements for its publication and promotion.

Following discussion, the Commission agreed:

- To approve the draft performance audit report, made jointly with the Auditor General for Scotland, on *Self-directed support*, subject to the audit team considering a number of points raised in discussion and consulting further with the sponsors of the performance audit, Michael Ash and Colin Duncan.
- The proposed promotion strategy.
- To delegate to the project sponsors and the Commission Chair to approve a checklist for council officers and an issues paper for elected members.

Actions: Director of Performance Audit and Best Value

12. Commission business matters [in private]

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

The Chair briefed the Commission on matters of interest.

ACCOUNTS COMMISSION

MEETING 15 MAY 2014

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. It complements the regular Controller of Audit report to the Commission which updates the Commission on his activity. The Commission's Financial Audit and Assurance Committee also receives a more detailed update on issues relating to local government. Further, detailed news in relation to local government activity is provided in the weekly media digests produced by Audit Scotland's Communications Team and provided to Commission members alongside Commission meeting papers.
3. The information featured is also available on the Accounts Commission member portal. Hyperlinks are also provided in the electronic version of the report for ease of reference.

Commission business

4. The Commission's report on the [Glasgow Community Planning Partnership](#) was published 30 April 2014. Commission members are meeting with the CPP Strategic Board on 20 May to discuss the report. The report received very limited media coverage.
5. The Commission's report on [Procurement in Councils](#) was published on 24 April 2014. Following publication, the audit team met with the Scottish Government's Procurement Team to brief them on the report and discuss potential future support for procurement capability assessments. The project manager also met with COSLA (Development, Economy, and Sustainability Team) to discuss the report. In addition, the audit team has been invited to attend future meetings of the Scotland Excel Board and the Scottish Local Government Procurement Forum. Media coverage of the Procurement report was limited – it was reported in the *Scotsman*, *Dundee Courier*, *Evening Times*, STV Online and *Public Finance*. There was no broadcast coverage. To the end of April, there were 476 downloads of the report.
6. On 15 April, the Accounts Commission and Audit Scotland replied jointly to correspondence received from the Assistant Clerk to the Public Petitions Committee, Scottish Parliament (dated 19 March), regarding [PE01488: Whistleblowing in local government](#). As indicated in the previous report by the Secretary and Business Manager (para 23) to the Accounts Commission meeting of 10 April, this response relates to consideration by the Public Petitions Committee, (18 March), of a current petition by Pete Gregson, on behalf of 'Kids not Suits', on PE01488. The Committee had agreed to write to the Accounts Commission and Audit Scotland to ask about their scrutiny of local authority whistleblowing policies. The joint letter of reply summarises

the relevant local auditors' responsibilities and arrangements in this regard. The Committee has yet to consider the correspondence.

7. Audit Scotland published in March 2014, on behalf of the Commission and the Auditor General, the [Scotland's public sector workforce: Good practice guide](#). The guide is designed accompany the joint report [Scotland's public sector workforce](#) (published on 28 November 2013).
8. On 9 April 2014, the Commission Chair convened a meeting of the [Strategic Scrutiny Group](#), consisting of the Commission and its strategic scrutiny partners. The Group discussed a new terms of reference, to reflect the Accounts Commission's decision at its meeting in January that, while ensuring that the Commission reflects the public service reform agenda in its work, to prioritise its activities around holding local government to account and thus to continue to focus the shared risk assessment process on the scrutiny of local government. The Group also discussed a draft action plan, the quality assurance arrangements for the 2014/15 shared risk assessment process, and the draft 2014/15 National Scrutiny Plan.

Audit Scotland:

9. Audit Scotland's Technical Services Unit, published a Briefing Note, [Bulletin 4 - Recent developments in company law etc. that affect auditor's reports](#) (10 April 2014). The Briefing outlines the recent changes to the Companies Act and describes auditors' responsibilities when producing the strategic report and other recent developments affecting the auditor's report in relation to the audit of local government.

Issues affecting local government

Scottish Parliament/ Scottish Government:

10. The Scottish Government launched its consultation, entitled: [Women On Board: Quality through Diversity. Scottish Government Consultation on the Introduction of Gender Quotas on Public Boards](#) (30 April 2014). This consultation will inform how the Scottish Government will shape its proposals to the UK Government on using legislation to achieve gender equality on the boards of our public bodies, through the use of mandatory quotas of women. It will capture the issues that would arise from this step for the organisations, individuals and bodies involved. The deadline for submissions is 4 July 2014. More details are available on the Scottish Government's [website](#).
11. To support the Social Care (Self-directed Support) (Scotland) Act 2013, the Scottish Government published [A guide to the Social Care \(Self-directed Support\) \(Scotland\) Act 2013](#), (10 April 2014). The easy read guide is aimed at service users and sets out the background and purpose of the Act. It outlines the various care choices and options and responsibilities for service users and organisations, e.g., councils. More details, including the full report, are available, on the Scottish Government's [website](#).
12. The Scottish Government has published [Moving Forward with Land and Buildings Transaction Tax: A Consultation on Proposed Subordinate Legislation \(May 2014\)](#) (1 May 2014). This consultation seeks views on draft subordinate legislation which the Scottish Government plans to bring forward to the Scottish Parliament under the powers in the Land and Buildings Transaction Tax (Scotland) Act 2013. Land and Buildings Transaction Tax is designed to replace UK Stamp Duty Land Tax in Scotland and it is expected that it will apply to land transactions taking place on or after 1 April

2015. More information on the consultation is available on the Scottish Government's [website](#).

13. The Independent Review Panel on NHS Continuing Healthcare published its report, [Independent Review of NHS Continuing Healthcare](#) (April 2014) with a number of recommendations. In response, Alex Neil, the Cabinet Secretary for Health and Wellbeing, made a commitment that the Scottish Government would work with COSLA to develop new guidance on the role of continuing care, to be implemented by April 2015. This guidance will be used to support clinicians in determining continuing healthcare "status" and will be focused on whether care can only be provided safely in a hospital.
14. The Scottish Government has published (April 2014) a public information leaflet on health costs entitled [A Quick Guide Help with Health Costs](#). The leaflet provides advice on eligibility for assistance with health costs and covers charges and optical voucher values.
15. The Scottish Government has published figures (6 May 2014) on [Police Officer Quarterly Strength Statistics Scotland](#). As of 31 March 2014, there were 17,244 full-time equivalent (FTE) police officers in Scotland, which is an increase of 1,010 FTE police officers (+6.2%) since 31 March 2007.

Parliamentary Committee News:

Local Government and Regeneration Committee:

16. The Committee's ongoing inquiry (launched February 2014) into the flexibility, autonomy, and constitutional arrangements of local government in Scotland continues to form the major focus of its current business. The investigation covers issues such as legal, constitutional and funding mechanisms. More information on the Committee's inquiry is available on the [Committees page](#) of the Scottish Parliament's website.
17. As part its inquiry, the Committee has taken evidence from range of contributors from local government and communities. It has also undertaken evidence gathering visits in order to hear from a wide range of stakeholders:
 - Most recently (2 May 2014), the Committee visited Stornoway, the Western Isles, to seek the views of remote and island communities on local democracy. More details of the visit can be found on the Committee's News [webpage](#).
 - In April, three Committee members visited Germany, Denmark and Sweden to meet elected representatives and officials to explore how local government in these countries operates and engages with communities and constituents. More details of the visit are available on the Committee's News [webpage](#).
18. At the 23 April meeting, the Committee also took evidence from senior figures in local government and academics including Councillors David O'Neill and Michael Cook, President and Vice-President of COSLA, and Professor Richard Kerley, Professor of Management (Queen Margaret University). In addition, it heard evidence from representatives of the Aland Islands which have a unique constitutional arrangement that provides for significant autonomy from the rest of Finland, to enable local solutions to suit local needs.
19. The inquiry was also considered at the Committee's 30 April and 2 May meetings. Evidence was heard from senior local government contributors, including:

- 30 April - Steven Grimmond, Chief Executive Officer, Fife Council; and Sally Loudon, Chief Executive Officer, Argyll and Bute Council.
- 2 May - Cllr Angus Campbell, Leader, Comhairle nan Eilean Siar; Cllr Gary Robinson, Leader, Shetland Islands Council; Malcolm Burr, Chief Executive, Comhairle nan Eilean Siar; Alistair Buchan, Chief Executive, Orkney Islands Council.

Public Audit Committee:

20. At its meeting of 30 April, the Committee considered evidence on the Section 23¹ report: *Reshaping care for older people* from the Auditor General for Scotland and Audit Scotland officers. The Committee agreed to seek further written evidence from the Scottish Government on issues raised in discussion. Also at this meeting, the Committee considered the Auditor General for Scotland's Section 23 report - *Police reform: Progress update 2013*. It was agreed to defer consideration of the draft report to a future meeting.
21. The Section 23 report *Police reform: Progress update 2013* was the only item of business at the Committee's 23 April meeting. Various changes were proposed and decided and the Committee agreed to consider a revised draft report at a future meeting.
22. The Commission's report, [An overview of local government in Scotland](#), published on 27 March 2014 will be considered at the 25 June meeting of the Committee. The Commission Chair will attend the meeting to present the report.

Infrastructure and Capital Investment Committee:

23. The Committee published its [4th Report, 2014 \(Session 4\): Stage 1 Report on the Housing \(Scotland\) Bill](#) (3 April). The report concludes that the right to buy social rented houses in Scotland should be completely abolished. More details, including the full report, are available on the [Committees page](#) of the Scottish Parliament's website.

Finance Committee:

24. The Finance Committee announced (11 April) that it will hold a series of [Evidence Sessions](#) between April and June 2014 investigating Scotland's public finances post-2014. During the sessions (30 April; 7 May; 14 May; 21 May; 18 June; and 25 June), the Committee will take evidence from academics, economists, public finance experts and representatives from civic Scotland on four main topics: taxation; borrowing; public sector debt; and fiscal rules. More details of the evidence sessions are available on the [Committee's page](#) of the Scottish Parliament's website.
25. The Finance Committee published (2 May) its [Stage 1 Report on the Revenue Scotland and Tax Powers Bill](#). The report refers to consultation with Audit Scotland and written answers to a number of questions from Duncan McNeil MSP which referred to the December 2012 joint Commission and Auditor General report on health inequalities.

¹ The Auditor General for Scotland (AGS) reports to the Public Audit Committee under Section 23 of the Public Finance and Accountability Act on economy, efficiency and effectiveness of public sector bodies (excluding local government).

Public Petitions Committee:

26. At its meeting of 6 May, the Committee considered the current petition, [PE1495](#), by Rab Wilson on the use of "gagging clauses" in agreements with NHS staff in Scotland.
27. On 22 April, the Committee considered a new petition, [PE1510](#) by Jody Curtis, on behalf of Emergency Service and Non-Emergency Service Call Centres, on emergency service and non-emergency service call centres, and [PE1511](#) by Laura Ross on Inverness fire service control room. It took evidence from Jody Curtis, Laura Ross, and Councillor Kenneth M Murray, Comhairle nan Eilean Siar. The Committee agreed to write to the Justice Committee seeking its views.

Justice Committee:

28. The [Courts Reform \(Scotland\) Bill](#) forms a major item of the Committee's business at present. The Committee considered the Bill and took evidence (at Stage 1) at its recent meetings (22 and 29 April 22 April meeting): On 29 April, the Committee agreed to consider its draft Stage 1 report in private at future meetings – a draft Stage 2 report is due to be considered at the 6 May meeting.

Justice Sub-Committee on Policing:

29. On 24 April, the Sub-Committee agreed its work programme and agreed to: continue to monitor developments in relation to the i6 programme and to revisit the issue later in the year; produce a draft report of its first year of consideration of the operation of the Police and Fire Reform (Scotland) Act 2012; write to the Scottish Police Authority in relation to the governance of policing major events in 2014 and the impact on local policing; and write to Deputy Chief Constable Fitzpatrick on issues arising from the evidence session on local policing on 20 March.

Bills – Progress Updates:

30. Stage 2 of the [Revenue Scotland and Tax Powers Bill](#) is due to be completed by 23 May 2014. The Finance Committee is the lead committee and it is currently holding Evidence Sessions (see paragraph 26).
31. The Stage 3 debate on the [Procurement Reform \(Scotland\) Bill](#) is scheduled for 13 May 2014. The Infrastructure and Capital Investment Committee is the lead Committee.
32. The Infrastructure and Capital Investment Committee (lead committee) is due to debate Stage 2 (Day 1) of the [Housing \(Scotland\) Bill](#) on 14 May. The Committee published its [4th Report, 2014 \(Session 4\): Stage 1 Report on the Housing \(Scotland\) Bill](#) (see paragraph 24) on 3 April 2014.
33. Stage 1 of the [Disabled Persons' Parking Badges \(Scotland\) Bill](#) is due to be completed by 23 May 2014. The Local Government and Regeneration Committee (lead committee) considered evidence at Stage 1 at its meeting of 30 April 2014.
34. The Stage 1 debate on the [Defective and Dangerous Buildings \(Recovery of Expenses\) \(Scotland\) Bill](#) took place on 3 April. The lead committee is the Local Government and Regeneration Committee.
35. Consideration of the [Courts Reform \(Scotland\) Bill](#) at Stage 1 is continuing (introduced 6 February). The Justice Committee (lead committee) has considered Stage 1

evidence at its meetings of 22 and 29 April 2014. Stage 1 is due to completed by 23 May 2014.

36. The [Criminal Justice \(Scotland\) Bill](#) is currently being considered at Stage 2. The Justice Committee (lead committee) and published its [Stage 1 Report on the Criminal Justice \(Scotland\) Bill](#) on 6 February 2014.

COSLA, Improvement Service etc.:

37. The Commission on Strengthening Local Democracy published its [Interim report](#) on 25 April 2014. The report presents the findings of its evidence gathering process so far. The Commission received 200 written submissions in response to its call for evidence, and telephone surveys with more than 1000 households, 13 evidence panel sessions, and 5 public listening events were conducted. The next phase of the Commission's work will focus on translating the findings of the Interim Report into practice. A further report on this next phase is due later in summer 2014. More information about the Commission's work, including the full report, evidence, including webcasts of panel sessions, is available on the Commission's [website](#).
38. The Improvement Service has launched a [Welfare Reform Data Dashboard](#), which brings together data on welfare reform from a range of sources (NOMIS (Office for National Statistics – official labour market statistics), DWP, HMRC and Scottish Government) in a single location. The dynamic tool provides local authority and neighbourhood (data zone) level indicators in a number of areas including benefit claimant levels, local labour market figures, Scottish Welfare Fund statistics and Discretionary Housing Payments. The dashboard is designed to be flexible and interactive, allowing users to browse, choose and view the topics and geographies in which they have an interest. It is intended to support users in strategic and service planning and develop local area profiles around welfare reform related issues.

Current activity and news in local government:

39. The following paragraphs highlight current activity and news occurring in local government over the previous month as well as developing issues. The items are drawn from a range of sources including news articles, websites and media summaries. Some of the more significant issues are highlighted in the following sections.

Individual councils:

40. The [Mortonhall Investigation Report](#) on Mortonhall Crematorium, Edinburgh City Council, was published (30 April) by former Lord Advocate Dame Eilish Angiolini. . Michael Matheson MSP, Public Health Minister indicated a public inquiry remains a possibility. The matter would be considered once Lord Bonyon's separate report into infant cremation practices across Scotland had been published. The report is expected to be released at the end of the month.
41. Keith Brown, Minister for Transport, appeared before Aberdeen City Council's [Finance, Policy and Resources Committee](#) (6 May). The Minister was questioned on the Haudagain roundabout upgrade. Councillors asked questions regarding the timescale for the project and concerns about the impact of the new link road on residents in the Middlefield area. The meeting follows the [public exhibition of plans of improvement plans](#) (24 April) which Aberdeen City Council officers did not attend and continuing acrimonious relations between Aberdeen councillors and Scottish Ministers.

42. Controversial plans to demolish five tower blocks as part of this summer's Commonwealth Games opening ceremony, were [abandoned](#) (13 April) in the face of growing public opposition and safety concerns from the police. Police Scotland's security director for the Games had asked the chairman of the Glasgow 2014 board to reconsider the plan. An online petition attracted more than 17,000 signatures. The demolitions will now be rescheduled.
43. It has been [announced](#) (2 May) that Edinburgh's new trams will begin carrying paying passengers on Saturday 31 May. Testing and training for drivers and staff will continue in the meantime, but managers are confident that preparations have reached a "satisfactory stage", to set a start date Lesley Hinds, Edinburgh City Council transport convener and Ian Craig, Chief Executive of Transport for Edinburgh, made the announcement.
44. Comhairle nan Eilean Siar is holding a number of [procurement events](#) (over 26, 28 and 29 May) to support and encourage local businesses to apply for Comhairle procurement contracts. Sessions will be held on a number of different topics such as Capital Programme Contracts, Grounds Maintenance and Public Transport.
45. A [by-election](#) will be take place Argyll & Bute Council for the Oban, South and the Isles ward on 22 May 2014. In South Lanarkshire Council, following the resignation of Councillor Archie Manson, a [by-election](#) will be held for the Clydesdale South ward on 5 June 2014.

People and Appointments:

46. Sarah Davidson has been appointed as Director General Communities for the Scottish Government, taking up this post on May 26. The Permanent Secretary said: "I am delighted to welcome Sarah to the senior team in the Scottish Government. Her wide experience and excellent stakeholder relations will be a great asset to our work in supporting Ministers and engaging communities." Sarah Davidson said: "I am delighted to be appointed DG Communities. I am really looking forward to working with colleagues inside and outside the Scottish Government in these important policy and delivery areas."
47. Former First Minister Henry McLeish has been appointed as the [Chair of the new Regional Board](#) for Glasgow's colleges by Michael Russell, Cabinet Secretary for Education and Lifelong Learning (1 May). 16 other members were also appointed to the Regional Board. The Board's responsibilities will include planning and funding of the city's three colleges. The new arrangement is intended to lead to a more joined-up approach in delivering high quality further and higher education across the city with greater accountability for outcomes.

Scrutiny and Inspection Bodies

Scottish Housing Regulator:

48. The Scottish Housing Regulator published on 11 April its Research Report 3: [Impact of Welfare Reform on rent arrears](#) on the findings of the third phase of its research into the early impact of Welfare Reform on social landlords. The research covers the period to December 2013, nine months into the removal of the Housing Benefit Spare Room Subsidy, i.e., 'bedroom tax'. The report found that total rent arrears for all responding social landlords was £79 million at the end of December 2013, which is 4.2% of the total rental income due for 2013-14. This is an increase from 3.6% in December 2011

and 3.7% in December 2012. The research was based on responses from 85% of social landlords in Scotland.

Care Inspectorate:

49. The Care Inspectorate published on 16 April its report [Services for children and young people in Dumfries and Galloway](#). The report presents the findings of a joint inspection of services for children and young people in Dumfries and Galloway. The inspection examined the Community Planning Partnership, comprising the council, police, health board. The report concludes that “urgent action” is required by community planning partners in the area, to ensure children and young people are “kept safe”. More details, including the full report, are available, on the Care Inspectorate’s [website](#).
50. The Care Inspectorate has published (2 May 2014) its [Corporate Plan 2014-18](#). The Plan outlines six high level strategic objectives which will inform and shape the Care Inspectorate's work through the next four years.

Education Scotland:

51. Education Scotland has published the [Curriculum for Excellence Implementation Plan for 2014-15](#), which sets out the objectives to be achieved, the local level activities required to achieve these objectives and the national support that will be available. The Plan is aimed at all those involved in promoting effective learning for children and young people from 3 to 18. The Progress Report provides a summary of progress made on the activities outlined previously in the Implementation Plan 2013-14 up to end of January 2014. It focuses on national activity and illustrates the significant amount of work that has been undertaken nationally throughout the year and the progress that has been made.

Healthcare Improvement Scotland:

52. Healthcare Improvement Scotland (HIS) has published on 1 April 2014 its report, [Annual Scrutiny and Inspection Plan for 2014-15](#), which sets out the areas for scrutiny and assurance in 2014-2015 led by the Scrutiny and Assurance Directorate. The report highlights joint working with Audit Scotland. More details, including the full report, are available, on the HIS [website](#).

Scottish Public Services Ombudsman (SPSO):

53. The SPSO has published its 2012-2013 annual report. The [Scottish Public Services Ombudsman Annual Report 2012–2013](#) is the first to chart progress against its 2012/16 Strategic Plan. More details, including reports for previous years, are available, on the SPSO [website](#).
54. The SPSO has published on 28 April 2014 its response to the [Scottish Government consultation on a strategic code of practice for Scottish Regulators](#). The SPSO’s response focuses on the section relating to complaints handling, in light of the lead role of the Complaints Standards Authority in improving complaints handling by public sector organisations in Scotland. Recently, the SPSO published a model complaints handling procedure (CHP) for the Scottish Government, Scottish Parliament and associated public authorities. The model CHP must be adopted by all notified public authorities, including all the Scottish regulators listed in the code to which the consultation refers. The Ombudsman takes the view that references in the code to complaints should reflect the requirements of the model CHP.

Her Majesty's Inspectorate of Constabulary (HMICS):

55. HMICS has published on 2 May 2014 its [Corporate Strategy 2014-2017](#). The Strategy sets out the operational plans and priorities for HMICS will operate over the next three years. HMICS also published its [Scrutiny Plan 2014-2015](#) which outlines the priorities for inquiries over the next twelve months. It demonstrates how inspections will be carried out in a proportionate, accountable and transparent manner. The Plan will be reviewed overtime and updated as required. HMICS undertook consultation with a range of policing stakeholders to inform the Plan and Strategy.

Other UK Audit Bodies

National Audit Office:

56. The National Audit Office (NAO) has published a report on [Remploy, the provider of employment and services for disabled people](#), and the Department for Work & Pensions completed the disposal of Remploy factories within a tight timetable and below budget. The Business Case for the disposal of Remploy businesses estimated the total cost of the programme to be £108.8 million. The DWP estimated that actual costs will be about £100 million, including £63 million in redundancy payments and £8 million in additional support for former employees. Sales have so far raised £12 million and Remploy expects this will reach £19 million.

Association of Chartered Certified Accountants (ACCA):

57. The Association of Chartered Certified Accountants (ACCA) published a report on 17 February 2014 [Breaking out: public audit's new role in a post-crash world](#), which considers views on the role of auditors in accountability and improving public service from a range of international contributors. It discusses improving public engagement and strengthening scrutiny and public service effectiveness. The paper includes a contribution from Caroline Gardner, Auditor General, which reflects on the Scottish audit environment. More details are available on the ACCA [website](#).

Westminster

Scottish Affairs Committee:

58. The [Scottish Affairs Committee](#) has published an Interim report, [Zero hours contracts in Scotland: Interim Report](#), (14 April 2014) which recommends changes to zero-hours contracts but contends that "in the majority of cases" they should not be used at all.. The Committee's report finds there has been an "alarming" increase in the use of casual labour across the UK and in Scotland in particular. In some cases, workers are not being paid the legal minimum wage. The Government should use all the levers at its disposal, including legislation, to change this. The report further comments that the Government's consultation on zero hours contracts is too narrow, focused on exclusivity and transparency. In the Committee's view, addressing those concerns will do little to help workers exploited by unscrupulous employers.

Conclusion

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

Paul Reilly
Secretary to the Accounts Commission
7 May 2014

ACCOUNTS COMMISSION

MEETING 15 MAY 2014

COVER NOTE BY SECRETARY AND BUSINESS MANAGER

COMMUNITY PLANNING IN FALKIRK

Purpose

1. The purpose of this report is to introduce for the Commission's consideration the report of the audit of community planning in Falkirk. The report is by the Controller of Audit and the Auditor General for Scotland.

Background

2. In 2011, the Cabinet Secretary for Finance, Employment and Sustainability, John Swinney, asked the Accounts Commission to prepare an outline case of how external audit and inspection might support the delivery of better outcomes by Community Planning Partnerships (CPPs).
3. At its meeting on 17 May 2012, the Commission endorsed a proposed approach to the audit of community planning. On 29 June 2012, this approach was shared with the Cabinet Secretary. Subsequent feedback from Scottish Government officials and the minister's office on the proposals was positive.
4. Aberdeen City, North Ayrshire, and the Scottish Borders community planning partnerships agreed to participate in three early audits to be done by the Commission and the Auditor General for Scotland. These audits took place during 2012. At its meeting on 14 February 2013, the Commission agreed to make findings on the reports in conjunction with the Auditor General. The reports were published on 20 March 2013.
5. At the same time a national overview report was published which drew on the common messages emerging from these three reports together with Audit Scotland's insights and conclusions drawn from its previous Best Value audit work in local government, police and fire, previous performance audits on partnership working (e.g. Community Health and Care Partnerships) and earlier national reports on community planning.
6. At its meeting on July 2013, the Commission considered the report of an independent evaluation of the three CPP audits. At its subsequent meeting on 22 August 2013, the Commission agreed its response to the evaluation. At its meeting on 12 September 2013, the Commission endorsed a proposed CPP audit programme for 2013/14. The programme consists of five audits of community planning partnerships, namely:
 - Falkirk
 - Glasgow
 - Moray
 - Orkney
 - West Lothian

There will also be a national report to accompany the publication of the five reports.

7. The first of these, for Glasgow, was considered by the Commission at its meeting on 10 April and published on 30 April. The second of these, Falkirk, is submitted to the Commission today for its consideration.

The report

8. The report is made under section 102(1)(a) of the Local Government (Scotland) Act 1973 (as amended by various subsequent pieces of legislation including the Local Government in Scotland Act 2003).
9. 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; and
 - c) the performance by a local authority of their statutory duties in relation to best value and community planning.
10. The report is made jointly with the Auditor General for Scotland, who makes the report under Section 23 of the Public Finance and Accountability (Scotland) Act 2000.

Consideration of the report

11. The Controller of Audit and members of the audit team from Audit Scotland will be present at the Commission meeting to answer questions.
12. 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.
13. If the Commission considers that it requires further information to proceed with its consideration of the report, it may direct the Controller of Audit to carry out further investigations. If the Commission is satisfied with the information which it has, it may wish to proceed to make findings unless members consider that a hearing is necessary. If the Commission chooses to reach findings, then the report will be published jointly between the Commission and the Auditor General.
14. 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.

Conclusion

15. The Commission is invited to:
 - consider the report by the Controller of Audit and the Auditor General on the audit of community planning in Falkirk; and
 - decide how it wishes to proceed.

Paul Reilly
Secretary and Business Manager
5 May 2014

Falkirk Community Planning Partnership



Prepared for the Accounts Commission and the Auditor General for Scotland
May 2014

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.

Contents

Contents	3
Commission findings	5
Key messages	6
Background	7
About the audit	9
What is the CPP aiming to do?	10
Key messages.....	10
The CPP has a well-established, long-term vision for Falkirk	10
The CPP used a collaborative approach and its clear understanding of the Falkirk area to develop its Single Outcome Agreement, but it has yet to identify specific priorities.....	10
The CPP has yet to convert its aspirations for Falkirk into clear delivery plans that will improve outcomes.....	12
The CPP recognises the importance of prevention and early intervention but must ensure a strategic approach across the partnership	12
How well is the CPP run?	14
Key messages.....	14
The CPP Leadership Board has not taken an active role in monitoring progress and holding partners to account for delivering outcomes.....	14
It is essential that the Leadership Board ensures that the new Improvement Group makes early progress in improving how the CPP operates	16
The Leadership Board needs to ensure that the thematic groups contribute effectively to the CPP's work.....	17
The CPP must ensure there are close links between its priorities and the main elements of public service reform	19
The CPP should evaluate partners' existing activities in developing its own approach to working with and involving local communities.....	21
How well does the CPP promote collaboration and use its resources?	24
Key messages.....	24
The CPP promotes a strong culture of partnership working that has helped Falkirk to respond to problems and secure funding for major local initiatives	24
The CPP must provide strong leadership to ensure that partners' resources are aligned to agreed outcomes and to help overcome barriers to joint resourcing	29
How is Falkirk performing?	33
Key messages.....	33
Most indicators in the CPP's previous SOA improved in recent years but it is difficult to attribute changes specifically to the CPP.....	33

The CPP has yet to establish effective performance management arrangements to allow it to monitor progress against key priorities 34

There has been mixed progress in recent years in Falkirk’s performance against the priority areas in its new SOA 36

The CPP must improve its performance reporting to help demonstrate its impact in improving local outcomes 40

Improvement agenda 43

Appendix 1: Methodology 44

Commission findings

Key messages

- **Falkirk Community Planning Partnership (CPP) has a long-term vision that aims to address the key challenges facing its area. The CPP worked collaboratively using its clear understanding of the Falkirk area to develop its new Single Outcome Agreement (SOA). It now needs to develop priorities to target specific areas of concern and put plans in place to convert its aspirations for Falkirk into improved outcomes. The CPP also needs to provide more direction in key areas, such as prevention and early intervention, to ensure a strategic approach across the partnership.**
- **The CPP promotes a strong culture of collaboration in Falkirk and there are many examples of innovative and effective operational partnership working across the area. This has helped Falkirk to respond quickly to local problems and secure funding for major local initiatives.**
- **Falkirk's performance against most indicators in the previous SOA improved. Strengthening the CPP's performance management arrangements will help the partnership to monitor progress in improving outcomes and tackling inequalities. The CPP also needs to improve its performance reporting, including how it communicates its priorities, activities and performance to local people and communities.**
- **There is recent evidence that individual partners are involving local people in the design and delivery of services. The CPP should evaluate partners' existing activities in developing its own approach to engaging with local communities.**
- **The CPP must strengthen its accountability arrangements by holding individual partners and thematic groups to account for their contribution to agreed outcomes. Effective scrutiny will also help the CPP to identify areas of concern and to develop specific priorities.**
- **In addition to scrutinising partners' performance, it is essential that the Leadership Board provides strong oversight of the Improvement Group, which has a crucial role in implementing the operational improvements that the CPP knows it needs to make.**
- **Public sector bodies in Falkirk collectively spend around £1 billion annually on services for local people. The CPP must provide strong leadership to ensure that partners' resources are aligned to local priorities and to help partners, in particular Falkirk Council and NHS Forth Valley, overcome barriers to joint resourcing. The CPP must also influence the council's and health board's progress in achieving the integration of health and social care services, and ensure close links between the partnership's priorities and the new arrangements.**

Background

1. Falkirk is midway between Glasgow and Edinburgh, and is well connected to other areas of Scotland by rail and motorway.¹ With a population of 156,000, Falkirk is the eleventh largest council area in Scotland. Its population has been increasing for almost 20 years, and is projected to increase by over eight per cent to around 169,000 by 2035. Major changes in the area over the past 15 years include a new NHS hospital, all the area's schools built from new or refurbished, and regeneration projects to improve town centres. Other developments include the opening of the Falkirk Stadium, the Falkirk Wheel and, more recently, The Helix, which has transformed an area of under-used land into 350 hectares of park and visitor attractions.
2. Falkirk compares well with Scotland as a whole for some important indicators ([Exhibit 1](#)).² However, in common with Scotland as a whole, Falkirk has pockets of persistent deprivation that are associated with poorer outcomes, such as lower life expectancy and higher unemployment ([Exhibit 2](#)).

Exhibit 1

Comparison of indicators between Falkirk and Scotland as a whole

Falkirk compares well relative to the whole of Scotland for some indicators (✓) but poorly for others (X)

	Falkirk	✓ / X	Scotland
Life expectancy (men)	76.4	✓	75.9
Life expectancy (women)	80.4	-	80.4
Overall unemployment rate (2013)	3.7%	X	3.2%
Youth (18 to 24) unemployment rate (2013)	7.7%	X	5.6%
Proportion of young people not in education, employment or training	10%	-	10%
Average gross weekly pay (2012)	£479.80	X	£498.30
Percentage of children living in poverty (2011/12)	17%	✓	20%
Number of recorded crimes per 10,000 population	473	✓	520

¹ In this report, Falkirk refers to the Falkirk council area rather than Falkirk town.

² In this report, 'indicators' refer to the performance measures which the CPP has chosen to monitor progress, and 'outcomes' refer to the level of performance of these measures.

and Young People (Scotland) Bill; and the Scottish Government's recent announcement that it is abolishing community justice authorities.⁵

About the audit

6. In 2012, the Scottish Government asked the Accounts Commission to lead audits of individual CPPs to assess their performance. During 2012/13, Audit Scotland reviewed three CPPs.⁶ Our audit of the Falkirk CPP is one of five that Audit Scotland is conducting during 2013/14.⁷ We carried out the audit shortly after Falkirk agreed its priorities for community planning for the three-year period from 2013 to 2015.
7. This is a joint report prepared by the Controller of Audit and the Auditor General for Scotland under section 102(1)(c) of the Local Government (Scotland) Act 1973 (as amended) and Section 23 of the Public Finance and Accountability (Scotland) Act 2000 respectively.
8. The objectives of the audit were to assess:
 - To what extent has Falkirk CPP set a clear strategic direction, agreed by all partners, which reflects Falkirk's needs? ([Part One](#))
 - Are Falkirk CPP's governance and accountability arrangements appropriate and do they allow it to improve outcomes for local people? ([Part Two](#))
 - To what extent Falkirk CPP encourages collaborative behaviour among staff and uses its resources, including money, staff and property, to deliver joint priorities and outcomes ([Part Three](#))
 - How well is Falkirk CPP delivering the outcomes contained in its SOAs and whether it is reporting these clearly and accurately to the public? ([Part Four](#)).⁸
9. Appendix 1 outlines our approach to the audit. As part of the audit, we reviewed in detail two themes particularly relevant to Falkirk - economic development and early years services - to assess the effectiveness of partnership working in the area. We arranged focus groups of local managers involved in our thematic reviews to explore how well collaborative working is operating in practice. We also held focus groups for residents from two areas of Falkirk (Maddiston and Dawson) to explore their views of local community planning. We have included quotes from these focus groups to illustrate important points from our audit. We are grateful to everyone who contributed to our work.

⁵ The Children's and Young People (Scotland) Bill covers a wide range of children's services policy, including: children's rights; Getting It Right For Every Child programme; early learning and childcare; and looked-after children. The bill received Royal Assent in March 2014.

⁶ Aberdeen City CPP, North Ayrshire CPP, Scottish Borders CPP

⁷ The five community planning partnership audits are Falkirk, Glasgow City, Moray, Orkney Islands and West Lothian. Audit Scotland has previously published three national reports on community planning; *Improving community planning in Scotland*, March 2013; *The role of community planning partnerships in economic development*, November 2011; and *Community planning: an initial review*, June 2006.

⁸ A Single Outcome Agreement is a document setting out local priorities for a council area as agreed by the community planning partners and the Scottish Government.

What is the CPP aiming to do?

Key messages

- **Falkirk CPP demonstrated shared leadership to establish a long-term vision that aims to meet the major challenges facing the area.**
- **The CPP worked collaboratively using its clear understanding of the Falkirk area to develop its new Single Outcome Agreement. It now needs to develop priorities to target specific areas of concern and put plans in place to convert its aspirations for Falkirk into improved outcomes for local people.**
- **The CPP recognises the importance of prevention and early intervention but must ensure there is a strategic approach to implementing preventative approaches across the partnership.**

The CPP has a well-established, long-term vision for Falkirk

10. In 1999, Falkirk Council and its partners worked with local communities to establish a 20-year vision for Falkirk that reflected the challenges facing the area. These included a declining population and significant job losses, including redundancies at the Grangemouth oil refinery. In January 2011, the CPP published the third version of its Strategic Community Plan, *Moving Forward Together*, which reaffirmed its vision for Falkirk for 2010 to 2015 and beyond. The community plan focuses on six themes that reflect the Scottish Government's strategic objectives: sustainability, health, economic development, children and young people, safer communities, and promoting a fairer society.⁹
11. The Strategic Community Plan recognises the challenges that reductions in public funding will present. It also recognises the need for partner organisations to coordinate resources such as money, property and skills, and adopt new approaches to delivering local services. The plan highlights the potential for increasing the voluntary sector's and local communities' contribution to community planning. It is accompanied by an action plan setting out the high-level priorities and outcomes for delivering the vision.

The CPP used a collaborative approach and its clear understanding of the Falkirk area to develop its Single Outcome Agreement, but it has yet to identify specific priorities

12. The CPP developed its latest Single Outcome Agreement (SOA) in 2013 (covering 2013 to 2015) to support the delivery of the Strategic Community Plan. The CPP adopted a collaborative approach to develop its SOA. Falkirk Council organised workshops for all

⁹ *National Performance Framework*, Scottish Government, 2007.

partners to discuss the SOA, and relevant partners took responsibility for drafting individual sections. For example, NHS Forth Valley took the lead on health inequalities and physical activity, in collaboration with other partners.

13. In developing its SOA, the CPP used a good range of national and local data and demonstrated a clear knowledge of Falkirk and the main issues facing the area. However, there was limited evidence that it considered longer-term opportunities and risks and, for some issues, there was scope to include more detailed information. For example, in the early years, children and young people section, the CPP provided no information on child health indicators (for example, obesity or dental decay) or important early years services such as pre-school education, parenting classes, or midwifery and health visitor services.
14. For its new SOA, the CPP took account of the six policy priorities set out by the Scottish Government and COSLA in their December 2012 guidance to CPPs.¹⁰ The CPP adapted these priorities to reflect the local context and challenges and to link with existing local strategies; for example, it included poverty and welfare reform to reflect Falkirk Council's Poverty Strategy (Exhibit 3). Each of the six priorities includes a range of thematic challenges and the SOA also lists 14 of the area's strategic challenges.

Exhibit 3

Falkirk CPP's priorities in its Single Outcome Agreement 2013-15

The CPP adopted the six national priorities and adapted them to reflect local circumstances.



Source: Falkirk Community Planning Partnership

15. The new SOA is more focused on local issues and priorities than previous SOAs, which were more closely linked to national priorities and outcomes. However, the wide range of priorities and challenges in the SOA makes it difficult to establish Falkirk's main priorities. For example, the new SOA includes a clear commitment to tackle the most significant inequalities in the

¹⁰ Single Outcome Agreements: Guidance to Community Planning Partnerships. Scottish Government and COSLA, December 2012.

Falkirk area. However, it contains limited information about which groups or communities are most disadvantaged, or how the CPP plans to reduce the outcomes gaps between different communities. It is important that the CPP Leadership Board targets and prioritises actions within its priority areas to provide clear direction that will address specific local concerns.

Recommendation - The CPP must establish the main priorities for Falkirk that target specific areas of concern.

The CPP has yet to convert its aspirations for Falkirk into clear delivery plans that will improve outcomes

16. Each of the six priority areas in the SOA includes a list of broad outcomes that the CPP aims to achieve. Each priority also lists a range of 'key activities' that are intended to lead to improved outcomes. The Scottish Government's and COSLA's *Statement of Ambition* for community planning states that CPPs must clearly understand respective partners' contributions and how partners will be held to account for delivering improved outcomes. However, Falkirk's SOA is not yet accompanied by a practical work programme or implementation plan setting out individual partners' or thematic groups' responsibilities and the timescales for completing specific activities. Therefore, it is not clear how the CPP will convert the aspirations in its vision and SOA into improved outcomes.
17. The CPP has helped promote a culture of collaboration across the Falkirk area, and there are many examples of effective operational partnership working that have helped improve local outcomes (see paragraphs 48 to 51 for more detail). The CPP must build on these achievements and show strong and sustained leadership, and a continued collaborative approach, to implement its SOA and deliver its vision for Falkirk. The CPP is currently reviewing its governance arrangements to clarify partners' roles and responsibilities. As part of this review, it needs to develop an implementation plan for the SOA to clarify the specific actions each partner or thematic group will take to:
 - address the main local priorities
 - improve outcomes
 - reduce inequalities.

Recommendation - The CPP should develop a clear plan for implementing its SOA. This should specify priorities and set out each partner's roles and responsibilities and the action they are required to take to improve outcomes.

The CPP recognises the importance of prevention and early intervention but must ensure a strategic approach across the partnership

18. The CPP shows a strong commitment to prevention and early intervention. Each of the six priorities in the SOA includes a list of initiatives and actions to move away from managing the consequences of problems and towards preventative and early intervention approaches. This is encouraging but for some priorities these are high-level aspirations. They are not supported

by specific actions or details about how CPP partners will use their respective resources to focus on early intervention or prevention. It is therefore difficult to gauge how the CPP will achieve a strategic shift towards prevention and early intervention.

19. However, within the thematic groups there is evidence of existing early intervention responses that include clear links to the SOA. For example, the Falkirk Early Years Collaborative has developed a range of pilot initiatives for young children to improve outcomes in later life ([Case study 1](#)). The CPP Leadership Board must provide clear leadership to promote a strategic shift towards prevention and early intervention and ensure learning from these and other initiatives is available across the CPP. To help promote this shift, the CPP must develop a clear plan for prevention that is jointly owned and supported by partners, and use this plan to determine priorities and monitor progress.

Recommendation - The CPP must develop a clear plan to promote a strategic shift towards prevention and early intervention, and use this plan to determine priorities and monitor progress.

Case study 1

The Falkirk Early Years Collaborative - initiatives aimed at improving outcomes for children

The Scotland-wide Early Years Collaborative (EYC) initiative aims to ensure that every child and parent has access to appropriate support in areas such as health, education and social work. Community planning partners deliver the initiative in their respective CPP areas. The Falkirk EYC includes representatives from local social work, health, education and police services, along with professionals from the third sector. It has run over 60 small-scale local projects to create an evidence base of effective initiatives. These include:

- improving arrangements for parents collecting children's vitamins
- introducing a telephone reminder service to increase the percentage of parents bringing their children to the 27-30 month developmental check
- creating an online video advising parents on how to help children learn at home.

After evaluating the impact of these projects, Falkirk EYC plans to implement effective early intervention initiatives more widely to improve long-term outcomes for children in Falkirk.

Source: Falkirk Early Years Collaborative

How well is the CPP run?

Key messages

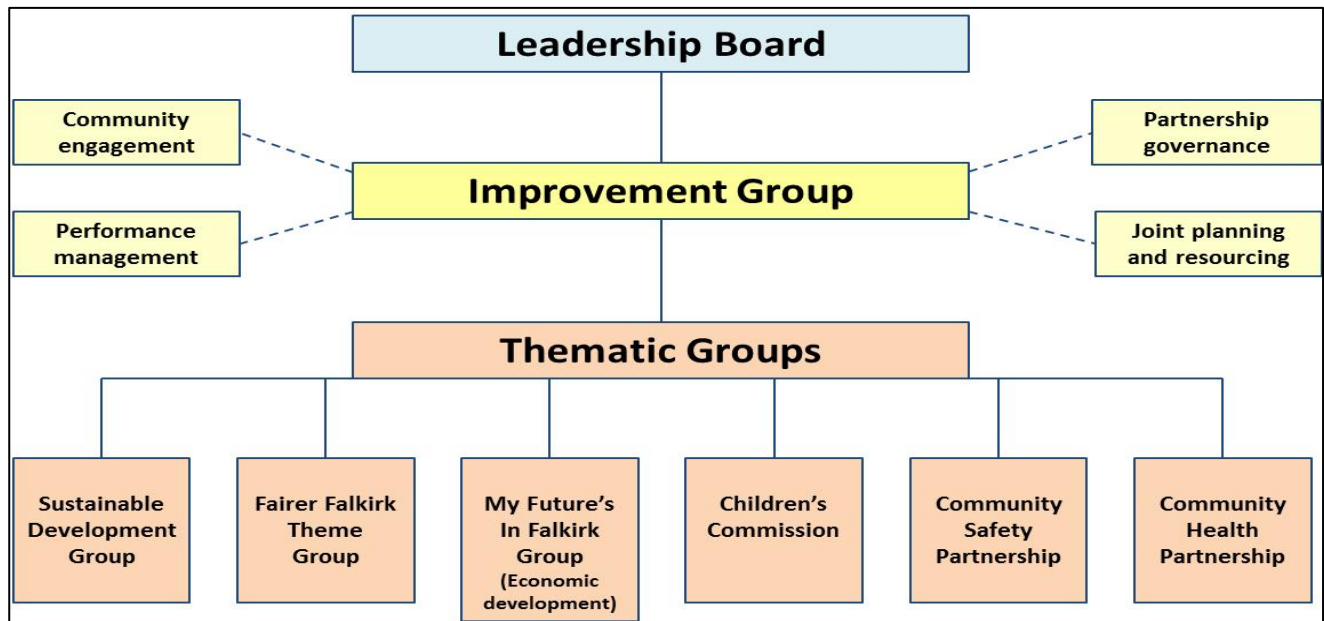
- The CPP must strengthen its accountability arrangements by holding individual partners and thematic groups to account for their contribution to agreed outcomes.
- The CPP's Improvement Group has a crucial role in implementing the operational improvements that the CPP knows it needs to make, but its work is at an early stage. It is essential that the CPP Leadership Board holds this group to account and ensures it makes significant early progress.
- The CPP must influence the council's and health board's progress in achieving the integration of health and social care services, and ensure close links between the partnership's priorities and the new arrangements. It also needs to increase its scrutiny of police and fire services to fulfil its role in improving community safety.
- The CPP should evaluate partners' existing activities in developing its own approach to engaging with local communities

The CPP Leadership Board has not taken an active role in monitoring progress and holding partners to account for delivering outcomes

20. The CPP's work is overseen by a Leadership Board. Its remit is to set the context for partnership working in Falkirk and provide strategic direction for community planning. The board is chaired by the Leader of Falkirk Council and comprises councillors and senior staff from partner organisations, including representatives from the voluntary sector.
21. The leader of the council's opposition group recently joined the Leadership Board to help ensure continuity if the administration changes after the next council elections. The board is supported by an Improvement Group, which was established in October 2013. Six thematic groups are responsible for taking forward the CPP's work ([Exhibit 4](#)).
22. Community planning partners acknowledge the council's statutory role in community planning, some see scope to increase their participation to further develop the sense of partnership working in the CPP. They would like to have more opportunity to contribute to the CPP's decision-making on relevant areas, such as economic development. This is a positive development but to fulfil this role effectively, partners must ensure their representatives have the authority to make decisions on behalf of their organisations.
23. The Leadership Board meets three times a year. Meetings are generally well attended, which demonstrates partners' commitment, though there is scope for partners to be more involved in setting agendas. We observed several Leadership Board meetings and reviewed the minutes of previous meetings. These indicated that reports tend to be noted or approved with limited discussion or challenge about progress against outcomes or priority areas, or key issues affecting the area.

Exhibit 4**Falkirk CPP governance structure**

The Leadership Board is supported by an Improvement Group and six thematic groups.



Note: Local activity on health, wellbeing and physical activity is co-ordinated by the Health and Social Care Joint Management Group

Source: Falkirk Community Planning Partnership

24. The Scottish Government's and COSLA's *Statement of Ambition* for community planning includes an expectation that CPPs operate as boards that hold all partners to account for their contribution to local planning and delivering on plans. In Falkirk, there is limited evidence that the CPP Leadership Board scrutinises the contribution of individual partners or thematic groups, or holds them to account for improving specific outcomes. The CPP's thematic groups, such as the Children's Commission, report on progress internally (for example, to the council) rather than regularly and systematically reporting to the Leadership Board.
25. This is a significant weakness in the CPP's governance arrangements. The Leadership Board must take a more strategic and central role in monitoring progress against the CPP's priorities, and use its meetings to promote more robust discussion and challenge about partners' contributions. The CPP has agreed to introduce six-monthly performance reporting to the Leadership Board on a basket of key indicators. This will provide the opportunity for the CPP to monitor progress against its main priorities. This will also help it identify concerns and priorities and, in turn, improve outcomes for local communities.
26. To support effective scrutiny, the CPP should provide appropriate training for its members. This training should clarify how members' responsibilities as CPP board members differ from their other activities within partner organisations. It should also help the CPP discharge its responsibilities for holding partners to account for achieving the aims of the SOA.

Recommendation - The CPP Leadership Board must take a more strategic and central role in monitoring progress against the partnership's priorities, and hold individual partners and thematic groups to account for delivering specific outcomes. It should also ensure that board members receive training necessary to perform their role.

It is essential that the Leadership Board ensures that the new Improvement Group makes early progress in improving how the CPP operates

27. The CPP revised its structures following a self-assessment in March 2011. The former Management Group, which sat below the Leadership Board, was replaced by a Coordination Group. This was intended to support the Leadership Board and provide operational management for the CPP. However, this group was never established. Instead, the Improvement Group was set up in October 2013 to support the Leadership Board. The delay in implementing the Improvement Group has resulted in a delay in improving the way the CPP operates.
28. The Leadership Board continues to be responsible for: providing strategic direction; setting the CPP's priorities for Falkirk; and holding partners to account for achieving improved outcomes. The Improvement Group's role is to organise and achieve the operational improvements that the CPP knows it needs to make to its: partnership governance; resource planning and management; engagement with local communities; and performance management and reporting.
29. The Improvement Group includes representatives from partners, including Falkirk Council, local police and fire services, Forth Valley College, the voluntary sector and NHS Forth Valley. It has established four workstreams to implement a range of improvements in the way the CPP is run:
 - **Partnership governance:** Falkirk Council's Policy and Community Planning Manager is leading this workstream with the council's governance officers. The CPP is developing a Partnership Agreement to clarify the CPP's purpose, and the roles and responsibilities of the thematic groups, Leadership Board members (including councillors) and council officers who support the CPP's work. The agreement will aim to strengthen both the CPP's overall governance arrangements and partners' individual and collective responsibility for achieving outcomes. It will also help to meet the requirements of the Community Empowerment and Renewal (Scotland) Bill.¹¹ The CPP is referring to examples from other CPPs in developing its Partnership Agreement, and plans to have an agreement ready for approval by partner organisations by July 2014.
 - **Resource planning and management:** Falkirk Council Finance Department is leading this workstream, which has an important role in delivering the CPP's commitment to joint

¹¹ The proposed Community Empowerment and Renewal (Scotland) Bill aims to support local communities to achieve their goals and aspirations through taking independent action and by contributing to decisions that affect their areas. The Scottish Government's consultation on proposals for the the bill closed in January 2014.

resourcing. In November 2013, the council wrote to the Scottish Government on the CPP's behalf to outline the partnership's proposed response to the joint Scottish Government – COSLA statement on community planning and resourcing.¹² The CPP plans to involve all partners in this workstream and has proposed an approach to progress this area of work (see paragraphs 57 to 67 for more details).

- **Community empowerment and participation:** This workstream is jointly led by Falkirk Council's Community Learning and Development Department and the Chief Executive of the Council of Voluntary Services (CVS) for Falkirk and District. It aims to improve the partnership's approach to community engagement, including how to use all available assets (such as property, skills and knowledge) to help achieve improved outcomes.
 - **Performance management:** This workstream is led by the Police Scotland Local Authority Liaison Officer for Falkirk. It aims to provide the Leadership Board with regular, clear and accessible performance information. This is to improve the Leadership Board's ability to scrutinise performance and progress in delivering the SOA, and to hold partners to account for their contributions. The CPP plans to have new arrangements in place by August 2014 for managing and reporting on performance.
30. The Improvement Group and its four workstreams provide a good opportunity for non-council partners to contribute more to the CPP's work. It should also promote a greater sense of partnership and wider ownership of the CPP's improvement activities. The development of a formal Partnership Agreement also allows the CPP to clarify the roles and responsibilities of individual partners for implementing the SOA and improving outcomes. The CPP should use the agreement to acknowledge the distinctive democratic community leadership role of local councillors.
31. The Improvement Group has a crucial role in delivering the operational improvements the CPP knows it needs to make. Its work is at an early stage, but given the delay in establishing the group, and the expectations of community planning nationally and within the Falkirk CPP itself, it is essential that the group makes significant early progress. To fulfil the CPP's stated commitment to improve how it operates, the Leadership Board should require regular, good quality information to allow it to scrutinise the Improvement Group's progress.

Recommendation - The CPP Leadership Board needs to hold the Improvement Group to account to ensure the group makes significant early progress in improving how the CPP operates.

The Leadership Board needs to ensure that the thematic groups contribute effectively to the CPP's work

32. Following its self-assessment in 2011, the CPP identified existing partnerships to take the lead in progressing the CPP's work. These groups reflect the six themes in the CPP's 2010-15 Strategic Community Plan and largely reflect the policy priorities in the latest SOA. There is no

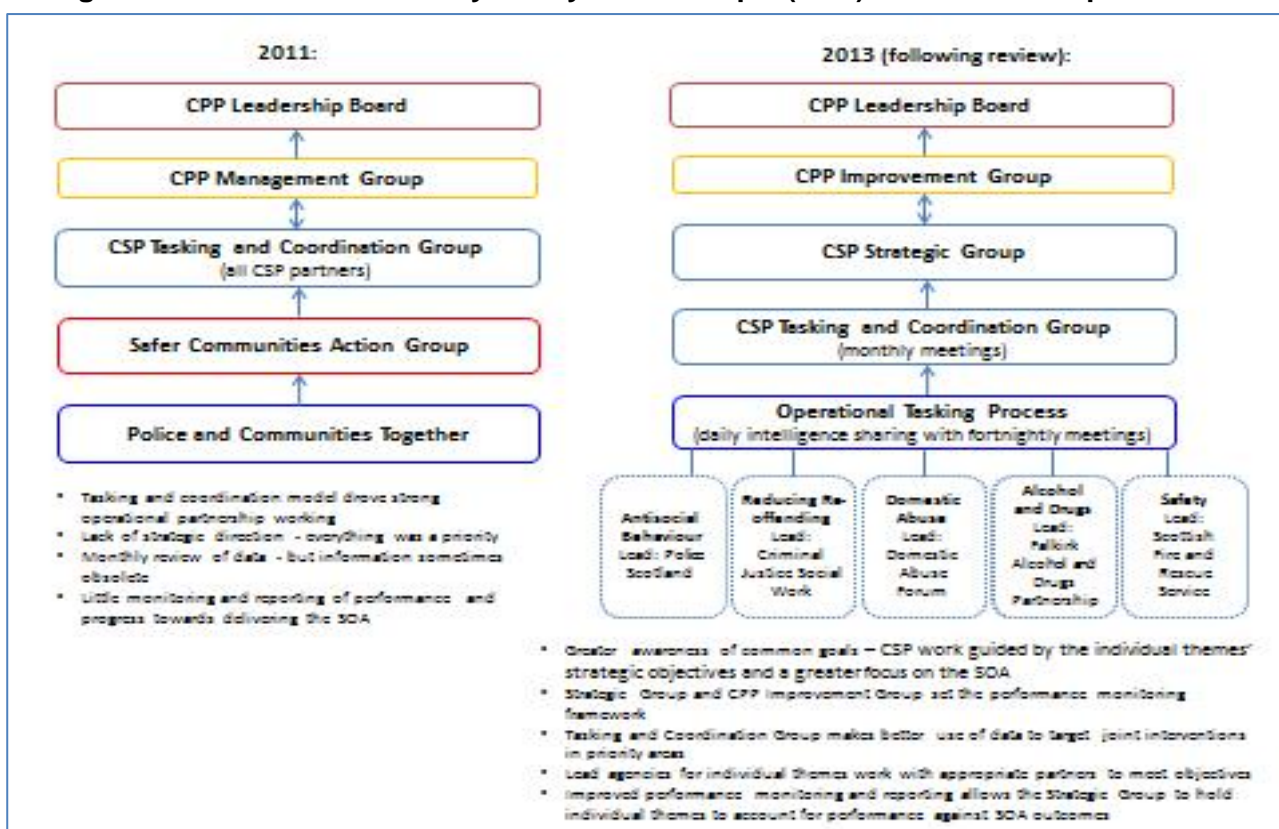
¹² *Agreement on joint working on community planning and resourcing*. Scottish Government and COSLA, September 2013.

thematic group for older people's outcomes. This is because the Falkirk Partnership Board (which includes senior officials from Falkirk Council, NHS Forth Valley and the voluntary sector) reports to the CPP Leadership Board on older people's services.¹³

33. Membership of the CPP's thematic groups is drawn from across the community planning partners but their structures and reporting arrangements are not all clear. Two thematic groups – the Children's Commission and the Community Safety Partnership – reviewed their structures and processes in 2013. Following these reviews, they have made significant changes to: improve their effectiveness; promote a greater sense of partnership; and strengthen the links between the work of the groups and the SOA (Case study 2). These groups now have well-defined structures, clearer roles and responsibilities, and a clearer sense of their accountability for specific outcomes.

Case study 2

Changes in the Falkirk Community Safety Partnership's (CSP) structures and processes



Source: Falkirk Community Safety Partnership

34. For other themes, such as economic development and health improvement, the partnership arrangements are complex and appear less well structured. Consequently, it is not clear which partner or partners are responsible for delivering specific SOA priorities. For example, the 'My

¹³ The Falkirk Partnership Board is the overarching governance group for the Falkirk Community Health Partnership. It is responsible for agreeing and implementing priorities for health and social care services in the Falkirk area.

Future's in Falkirk' Group¹⁴ is responsible for the economic recovery, growth and employment theme in the SOA. However, this is one of several local economic initiatives, and managers involved in economic development told us that the link between their activities and the CPP was not always clear.

35. The Leadership Board needs to align the activities of its thematic groups, the CPP and the SOA. It should require the 'My Future's in Falkirk' Group and the other thematic groups - Sustainable Development Group, Fairer Falkirk Group and the Community Health Partnership - to carry out similar reviews to those undertaken by the Children's Commission and the Community Safety Partnership.
36. There is a wide range of local partnerships and community groups in Falkirk. As part of its self-assessment initiative, the Children's Commission mapped all relevant partnership activity in the Falkirk area. The Leadership Board should encourage the other thematic groups to learn from the Children's Commission's experience and carry out similar exercises to establish relevant local groups' activities. This will help ensure these activities identify the main issues facing communities in Falkirk, minimise duplication, and maximise the effectiveness of the CPP's work.

Recommendation - The Leadership Board needs to ensure that the thematic groups' activities fully reflect the CPP's key priorities and are contributing effectively to improving local outcomes.

The CPP must ensure there are close links between its priorities and the main elements of public service reform

37. The Scottish Government's and COSLA's *Statement of Ambition* makes it clear that community planning and SOAs will provide the foundation for effective partnership working within which wider public service reforms will happen. These reforms represent major changes to the way public services are arranged and delivered, and include: establishing single police and fire services; integrating health and adult social care; and welfare reform, including changes to housing benefit and the introduction of Universal Credit.

The CPP needs to increase its scrutiny of police and fire services to fulfil its role in improving community safety

38. There are clear links between the priorities in local fire and police plans for Falkirk and the CPP's SOA. Falkirk Council has a statutory responsibility to assess how local police and fire services are performing, including the impact of reforms that led to the creation of these national services. However, opposition members of the council's Scrutiny Committee are not

¹⁴ *My Future's in Falkirk* is a local economic development initiative launched in 2002. It brings together partners including Falkirk Council, Forth Valley College, Skills Development Scotland, Scottish Canals, Jobcentre Plus and business and industry representatives, particularly those based at the Grangemouth petrochemical and refinery complex. As part of the initiative, partners agreed a vision for economic development of the Falkirk area which they revised in 2010. The initiative acts as an umbrella for a number of economic development projects and brings partners together when needed to focus on specific aspects of economic development.

currently taking part in the process due to their concerns about the council's decision-making structures. This presents a potential risk to effective scrutiny of local police and fire services.

39. The CPP Leadership Board periodically receives update papers on local police and fire reform, most recently in March 2013, shortly before the reforms were implemented. The Leadership Board noted these papers. Given the potential risk to effective scrutiny presented by the situation within Falkirk Council, the board should ensure that it holds local police and fire services to account for their contributions to community planning across the Falkirk area and for delivering the SOA. It should do this through regular performance reports from the Community Safety Partnership. This will allow the CPP to fulfil its role to improve community safety by highlighting any concerns about the impact of the reforms and assuring itself that the new arrangements are working effectively.

The CPP must ensure that plans for health and social care integration contribute to the delivery of the SOA

40. Falkirk Council and NHS Forth Valley have yet to agree on which model they will adopt to integrate local health and adult social care services. There are regular discussions between the chief officers of both the health board and the council through the Joint Executive Group. There is also clear evidence of both the health board and the council working at an operational level to integrate services. However, many health and social care integration initiatives are still at the development or early planning stage. Furthermore, Falkirk Council and NHS Forth Valley have yet to agree which services fall within the scope of health and social care integration. Decisions on delegation and governance arrangements will only be made once the integration model is in place. This makes it difficult to assess whether the requirements of the Public Bodies (Joint Working) (Scotland) Bill will be achieved in the run-up to health and social care integration on 1 April 2015.
41. The CPP Leadership Board receives update papers on plans for local health and social care integration, most recently in March 2013. To date, the Leadership Board has simply noted these papers. However, given that the new health and social care partnership will be responsible for an estimated annual budget of over £360 million, it is essential that the CPP:
- influences how the new partnership develops
 - considers the links between the partnership and the model adopted for health and social care
 - ensures the new arrangements contribute appropriately to delivering the SOA.¹⁵

Recommendation - The CPP must ensure that it influences the development of the new health and social care partnership and that the new arrangements will help achieve its SOA priorities.

¹⁵ The estimated annual health and social care budget is based on Falkirk Council's total social work spending in 2012/13, and NHS Forth Valley's total spending in 2012/13. The estimated NHS Forth Valley figure was based on Falkirk's population share. The final budget will depend on which services fall within the scope of health and social care integration.

The Fairer Falkirk thematic group could play a wider role in planning for welfare reform

42. Falkirk Council introduced its anti-poverty strategy *Towards a Fairer Falkirk* in March 2011. The council has been proactive in its planning for welfare reform and its likely impact on local communities. It has implemented various initiatives to minimise the impact of these reforms on communities. These include prevention (awareness and education), recovery actions, and intervention (for example, funding housing payments and employability projects).
43. The CPP Leadership Board also monitors the effects of welfare reform and receives regular update papers. It is not clear what additional action, if any, the CPP is taking to manage the impact of welfare reform, for example through the actions of the Fairer Falkirk thematic group. The Improvement Group should consider a greater role for the Fairer Falkirk group to promote a greater sense of partnership working in planning for welfare reform. It should do this when reviewing arrangements for the CPP's partnership governance and for managing its performance.

The CPP should evaluate partners' existing activities in developing its own approach to working with and involving local communities

44. The CPP took some account of local communities' views when developing specific aspects of the new SOA. For example, it consulted local people about priorities and services for older people. However, the CPP stated in the SOA that, due to the timescale, it had limited opportunity to consult and involve local people and communities when developing the SOA. Our focus groups of residents from two neighbourhoods within the Falkirk area displayed limited awareness of the SOA and said the CPP's priorities were non-specific and could apply to any CPP area.
45. The new SOA includes a commitment from the CPP to involve local communities to improve local outcomes. It also outlines a range of activities to help make this happen. Since finalising its SOA in September 2013, the CPP has taken steps to improve its community engagement. It held a community planning conference in November 2013 that involved partners, service providers, community groups and local residents. The CPP recognised that reductions in public sector funding required increased community involvement to achieve local outcomes. It agreed to work with local groups and to use all available assets to help improve local communities. There is recent evidence that CPP partners are involving local people in the development of local services ([Case study 3](#) illustrates an asset-based co-production approach).

Case study 3

Falkirk Reshaping Care for Older People Co-production Model

Older people's views on their experiences and expectations of services are helping to co-produce new ways of providing services.

This one-year pilot project aims to involve older people in designing how to deliver local services that will help them maintain their independence for as long as possible. The project is being run in the Bo'ness and Blackness areas of Falkirk, and is being funded by the Older People's Change Fund. It harnesses the skills and knowledge of older people, and their relationships with the wider community and services. Falkirk Partnership Board initiated the project, and it involves a range of partners including Falkirk Community Trust, Falkirk Council, NHS Forth Valley and local voluntary organisations.

The project team is developing outcomes to evaluate the impact of the pilot. It plans to extend this co-production model to other areas of Falkirk and embed it into service providers' planning processes.

Source: Scottish Health Council Case Study

46. In our focus groups, local residents expressed a strong desire for clearer communication from the CPP about local priorities, and more opportunities for communities to contribute to CPP discussions. They reported mixed experiences of working with Falkirk Council and other local organisations. They also highlighted a range of community-led local initiatives, and expressed a willingness to work more effectively with the CPP to help improve local outcomes.

The CPP should work with us, and tap into our local knowledge.

Local community council member.

47. The Improvement Group is working to give communities a greater say over, and role in, local services, but this is at an early stage. The CPP must build on the commitments in the SOA and at the community planning conference to take a more systematic approach to involving local communities. It should also take account of the national community engagement standards (VOiCE – Visioning Outcomes in Community Engagement) when developing its strategy. The Leadership Board should require the Improvement Group to report on:
- progress on delivering the CPP's commitment to improving community involvement
 - the extent to which it is meeting the requirements of the Community Empowerment and Renewal (Scotland) Bill.
48. Individual partners and thematic groups provided examples of involving and consulting stakeholders and service users. There is also evidence of local partners and partnerships adopting or learning from existing approaches to involving communities. For example, the Falkirk Partnership Board adopted the council's 'We asked – You said – We will' approach when consulting on local priorities for older people. Police Scotland liaised with Falkirk Council

to use the council's Citizens Panel for views on the draft Falkirk Community Safety strategy.¹⁶ The CPP should evaluate existing approaches and activities when developing plans to improve how it works with and involves local communities. This will help achieve effective community engagement and explain to local communities what the CPP has done to address the main priorities facing the area.

Recommendation - The CPP should evaluate existing approaches when considering how to improve how it works with and involves local communities.

¹⁶ Falkirk Council Citizens Panel comprises more than 1,000 local people who have volunteered to respond to three or four surveys each year, providing feedback on services, and information about the needs of their local community and other issues.

How well does the CPP promote collaboration and use its resources?

Key messages

- The CPP promotes a strong culture of collaboration in Falkirk and there are many examples of innovative and effective operational partnership working across the area. Well-established partnership working has helped Falkirk to respond quickly to local problems and secure funding for major local initiatives.
- More effective joint working in some areas of activity depends on resolving long-standing issues concerning information sharing.
- Public sector bodies in Falkirk collectively spend around £1 billion annually on services for local people and communities. The CPP must provide strong leadership to ensure that partners' resources are aligned to outcomes and to help partners, in particular Falkirk Council and NHS Forth Valley overcome barriers to joint resourcing.

The CPP promotes a strong culture of partnership working that has helped Falkirk to respond to problems and secure funding for major local initiatives

49. While the links between local partnership working and the CPP may not always be clear, the CPP has promoted a culture of collaboration in the Falkirk area which has helped to facilitate a range of multi-agency working in recent years. Local managers highlighted various factors that promoted effective joint working in Falkirk. These included clear strategies, a willingness to work together and the ability to identify and involve appropriate individuals.

We are extremely good at getting the right partners round the table. We don't consider taking forward work without partners.

The fact that everyone in the room knows each other and their role is a strength in Falkirk.

Focus group participants

50. For example, when we asked local managers involved in supporting young people leaving school, they reported a strong link to the CPP and its objectives. They told us that the CPP had identified improving positive destinations for young people as a high priority in the SOA.¹⁷

¹⁷ Positive destinations include employment, further or higher education, taking part in a national training programme or volunteering.

This had increased partners' commitment to this issue, including greater involvement of the voluntary sector. One example of local partners working together to help young people leaving school is the Schools College Opportunities To Succeed (SCOTS) programme. This aims to improve the employment prospects of Falkirk pupils by offering them vocational opportunities at Forth Valley College ([Case study 4](#)).

Case study 4

The Schools College Opportunities To Succeed (SCOTS) programme

This two-year programme was developed after a review of school and college partnership arrangements by Falkirk Council, Forth Valley College and Skills Development Scotland. It aims to improve vocational employment opportunities for Falkirk secondary school pupils who would not otherwise have considered attending college after leaving school.

During the first year of the programme, pupils attend a range of introductory vocational college courses on one afternoon a week. They also take accredited employability skills courses in their own schools.

When they have successfully completed their first year, pupils decide what they want to do in the second year. Examples include the following:

- Applying for a vocational college course in their preferred subject for the following school year. This involves attending college for two afternoons a week.
- Applying for a full-time college course. If they successfully complete the first year of the SCOTS programme, they are guaranteed an entrance interview.
- Pupils who choose to leave school get help and advice from careers advisors in the council's Employment and Training Unit and Skills Development Scotland to identify employment or work-based training opportunities.

During the programme, all pupils' core skills are assessed at the beginning and end of the college sessions. This means they can get more targeted help and advice, whatever option they choose after completing the programme.

In August 2013, 120 pupils from across Falkirk's eight secondary schools started the programme. In January 2014, over 100 pupils remained on the programme. Over 90 per cent of these pupils have since chosen to continue with their college courses.

Feedback from pupils and staff to date has been positive. Pupils welcomed the opportunity to pursue subjects and careers that they had not previously considered, and the increased confidence, relationship building and teamworking skills they developed. Both school and college staff highlighted the benefits of engaging with pupils at an early stage and introducing them to a different learning environment from school. They highlighted the improvements in young people's confidence, behaviour and ability to deal with new challenges.

Source: Falkirk Council

Effective partnership working has helped Falkirk secure significant external funding and respond quickly to local problems

51. In recent years, Falkirk has secured funding for major initiatives such as The Helix project and the Tax Incremental Finance (TIF) initiative (Case studies 5 and 6). Local managers told us that well-established local partnership working helped secure this funding (Exhibit 5).
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Case study 5: The Helix project

The Helix Project aims to transform an under-used area of land between Falkirk and Grangemouth into 350 hectares of public park, including:

- new and improved woodland
- a new canal link that will provide access to the Forth Estuary
- a public art programme including the world's largest equine sculptures (the Kelpies)
- 27 kilometres of new and improved paths and cycle ways to encourage physical activity.

In 2005, Falkirk Council and Scottish Canals built on their successful partnership working on the Falkirk Wheel project to apply for funding to The Big Lottery's Living Landmarks Programme to regenerate the area around Falkirk Stadium. In November 2007, The Helix was awarded a £25 million grant, and work began on the project in 2008. The Helix has been opened in phases, with construction work due to be completed in August 2014. The total cost to date is £43 million, comprising the Big Lottery Fund's grant and £18 million from local public and private organisations.

The Helix is a key project in the 'My Future's in Falkirk' economic development programme. Falkirk Community Trust is responsible for operating The Helix and a partnership oversees the project. This partnership includes Falkirk Council, Scottish Canals and the Central Scotland Forest Trust. The project has a range of objectives, outputs and outcomes that are reported to the The Big Lottery. These include:

- 300,000 visitors each year
- 3,000 people to take part in Helix-based fitness activities each year
- opportunities for trainees to undertake apprenticeships and work with social enterprises
- being recognised as a wildlife sanctuary.

Source: Falkirk Council

Case study 6: Tax Incremental Funding (TIF) initiative

Falkirk Council approved a £67 million Tax Incremental Funding (TIF) initiative in September 2012 to develop the local infrastructure, for example by improving motorway access and flood prevention and building new business park facilities. The TIF funding model allows the council to borrow from the Public Works Loan Board. The council then repays the loan from the increased non-domestic rates income that it receives as a result of the investment.

The TIF is a council initiative, as it has the necessary borrowing powers, but a range of local partners were involved in developing it. These include Scottish Enterprise and representatives from the petrochemical industry who are helping to ensure the investment is targeted most effectively. Local businesses are also involved in the initiative through the Falkirk Business Forum.

The TIF initiative covers a period of 25 years, with developments to be completed over the first 11 years. Work carried out through the TIF will also link into the The Helix project and improvements to town centres. The first stage of the initiative started in November 2013, focussing on improving access routes to the M9 motorway.

The business case anticipates that every £1 of council investment through the TIF will attract a further £8.66 of private investment. Falkirk Council predicts that the TIF initiative will create more than 5,000 local jobs. A delivery team, including representatives from Scottish Enterprise, has been set up to monitor and report on the initiative's impact.

Source: Falkirk Council

Exhibit 5

Local managers' views of partnership working in Falkirk

Joint working was instrumental in securing funding for major local initiatives.

Partnership working is absolutely critical to the TIF. (The TIF) has led to six projects in Scotland in total but ours was the first to start on site. There was liaison with the chemicals sector and the business sector.

Local private organisation.

TIF is helpful in that there are in-depth relationships to make new developments.

Falkirk Council.

(The Helix) was only possible through engagement and pooling resources.

Local private organisation.

Source: Audit Scotland.

52. The strong working relationships flowing from the collaborative approach in Falkirk allow partners to respond quickly and innovatively to local problems, for example when the Ineos petrochemical plant at Grangemouth was threatened with closure in 2013. Representatives from Falkirk Council (including elected members), Scottish Enterprise, and the business sector (including companies based at the Grangemouth complex) held meetings at short notice to clarify the issues and identify potential solutions. Together, the partners agreed a range of actions. These included developing a joint economic impact assessment that helped resolve the dispute and ensure the Grangemouth complex remained open.

Issues with information sharing present a risk to effective partnership working in some areas of activity

53. Some partners told us that long-standing problems with sharing information are a barrier to effective partnership working. Although they expressed a willingness to share data, they were hindered by different information systems and protocols in partner organisations. Examples include the following:
- Managers involved in supporting young people leaving school reported difficulties in sharing information because of data protection issues.
 - Managers involved in early years services reported problems in getting access to health information.

This has been an issue for 20 years and we need a way round this.

Focus group participant

54. Recent progress has been made in improving information sharing within the CPP's thematic groups.¹⁸ The Falkirk Community Safety Partnership recently developed an Information Sharing Protocol for local partners. This aims to improve joint working among partners by making it easier to share information to help tackle anti-social behaviour and other community safety issues. This local protocol is in addition to the Scottish Accord on the Sharing of Personal Information, which sets out how organisations should share personal information safely and legally. NHS Forth Valley has also developed partnership protocols for sharing information. These aim to improve how organisations monitor vulnerable people and improve the way they deliver specific services, such as drug and alcohol services.
55. The Improvement Group has identified problems with sharing information as a risk to effective joint working. The CPP Leadership Board needs to provide strong direction to help overcome barriers to sharing information. It should consider whether the protocols that local partners and thematic groups have recently developed could be adapted to improve how information is shared across the wider partnership.

¹⁸ Thematic groups are developing information sharing protocols within the context of an overarching Forth Valley information sharing protocol. This protocol was agreed in 2008 by Falkirk Council, Stirling Council, Clackmannanshire Council, NHS Forth Valley and Central Scotland Police (now part of Police Scotland).

Recommendation - The CPP Leadership Board should provide strong direction to help partners overcome barriers to sharing information.

The CPP must provide strong leadership to ensure that partners' resources are aligned to agreed outcomes and to help overcome barriers to joint resourcing

56. Our analysis of key partners' resources indicate that around 11,200 full-time equivalent (FTE) public sector staff are employed in the Falkirk area, and partners have property and equipment with a value of around £1 billion. We estimate that public sector partners spend around £1 billion each year (Exhibit 6).¹⁹ The local voluntary sector, which is made up of over 700 organisations, employs over 1,300 people and involves around 28,000 volunteers.²⁰ The Falkirk voluntary sector's estimated spending is more than £25 million a year.

Joint resource planning and management presents a significant challenge due to Falkirk Council and NHS Forth Valley adopting different approaches

57. The Scottish Government and COSLA's *Agreement on Joint Working on Community Planning and Resourcing*, published in September 2013, places clear expectations on community planning partners to:

- share resource planning information and budget assumptions with each other at an early stage
- work together through CPPs to deploy resources to achieve the jointly agreed priorities set out in the SOA.

58. Some Falkirk partners already align their resources to help deliver the SOA. For example, local police officers are deployed each day in line with the Falkirk Local Police Plan. This, in turn, is linked to the CPP's SOA. Partners involved in economic development told us that they pooled resources such as funding, ideas and expertise to some extent. However, they recognised that they could do more. Partners indicated that strong relationships and trust were crucial to sharing their resources effectively.

59. Falkirk Council and NHS Forth Valley together account for over 60 per cent of public sector spending in Falkirk. These bodies are taking different approaches to aligning their resources with the CPP's priorities:

- Falkirk Council plans to ensure that its budget clearly sets out how its spending will help to deliver SOA priorities. In preparing its 2014/15 budget, the council took the SOA priorities into account when it considered savings options. In doing so, the council hoped to identify the degree to which its decisions on spending could impact on outcomes.
- NHS Forth Valley plans to introduce localities-based budgeting to target its spending at areas with the greatest identified need.

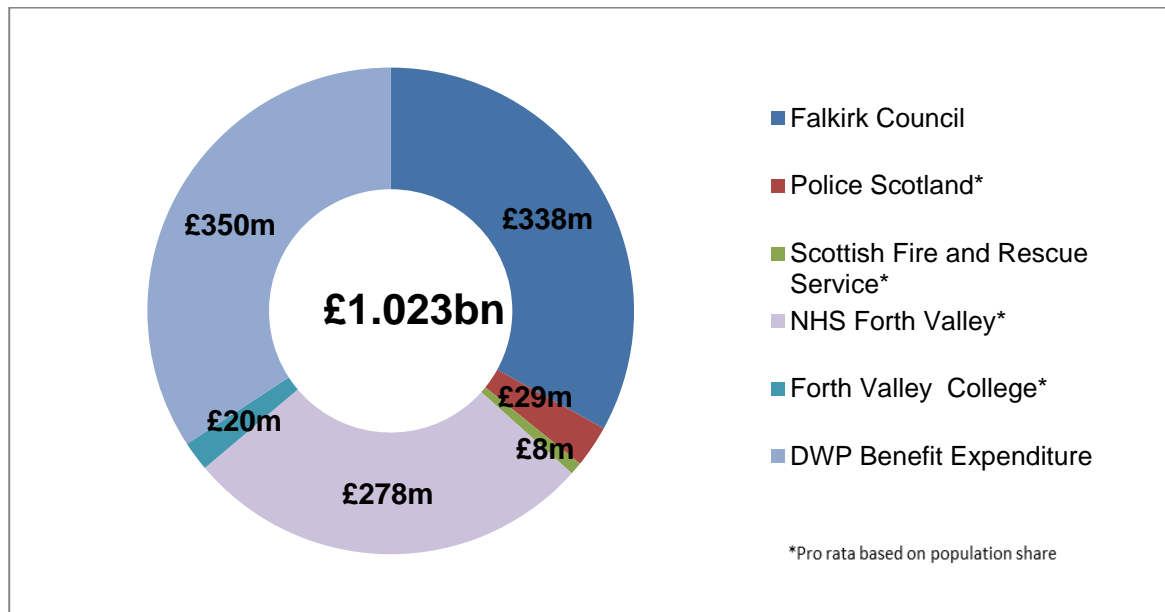
¹⁹ Staff numbers and financial information as at 31 March 2013. The financial information does not include spending by Scottish Enterprise or the South East of Scotland Transport Partnership, SEStran.

²⁰ Source: CVS Falkirk.

Exhibit 6

Falkirk partners' net spending, 2012/13

Public bodies in Falkirk spent just over £1 billion in 2012/13.



Source: Audit Scotland analysis of Falkirk partners' audited 2012/13 accounts

60. The CPP therefore faces a significant challenge to align partners' resources to outcomes. The council and the NHS board will prepare a joint shadow budget for 2014/15 for integrated health and social care services. The CPP Leadership Board should ensure that the Improvement Group uses this development to help its progress in aligning resources to agreed outcomes.
61. Falkirk partners acknowledge that realigning resources to agreed priorities brings a number of opportunities, including:
- a more coordinated and efficient approach to delivering services
 - better sharing of information
 - less cost to the national economy, although this may take time.

However, partners also identified a range of barriers to jointly planning and managing their resources, including:

- budget reductions and financial challenges (for example, NHS Forth Valley continues to receive funding below its National Resource Allocation Committee (NRAC) target allocation)
- difficulties in aligning partners' budget-setting processes (for example, due to partners working to different budget timetables)
- the need to balance national and local priorities

- difficulties in developing long-term plans because they are required to submit annual funding applications.²¹

62. As with all CPPs, some partners have difficulties in clearly identifying the resources they assign specifically to Falkirk. For example, Forth Valley College covers several CPP areas, and Skills Development Scotland and Scottish Enterprise cover Scotland. NHS Forth Valley, which also includes Clackmannanshire and the Stirling area, has a similar challenge of breaking down the budget by geographical area and activity.

The CPP will build on its previous experience when implementing its approach to joint resourcing

63. In 2010/11, the CPP carried out a review to understand better the impact of how community planning partners were spending money in the Falkirk area. Although it only made limited progress, the CPP will use the lessons from this review to inform its work in aligning resources to agreed priorities. Its approach includes estimating how much each partner spends on particular activities, and using this information to agree with partners how they should target their budgets and other resources to achieve local outcomes. The Leadership Board will have an important role in ensuring that partners' resources are appropriately aligned to outcomes.
64. The CPP will also use the Forth Valley-wide *Making the Most of Property and Assets* initiative when it is reviewing joint resource planning and management. This initiative provides a forum for local organisations to identify and discuss opportunities to share or jointly develop property and assets. Partners have identified various potential opportunities and some local organisations plan to use the initiative when considering options for developing their facilities.
65. The Improvement Group's work in this area will be crucial in assessing and agreeing the practicalities of the partnership's approach to overcome the barriers to joint resourcing. As a first step, it is preparing a report on what activities partners are spending money on. The CPP recognises that it is not a straightforward task to bring all partners' resources together to achieve its agreed outcomes. It is taking an evolutionary approach to meet the expectations of the Scottish Government - COSLA agreement on joint working.

Recommendation - The CPP must provide strong leadership to ensure that partners' resources are aligned to agreed outcomes and to help partners, in particular Falkirk Council and NHS Forth Valley, overcome barriers to joint resourcing.

The CPP is committed to ensuring that sufficient resources are allocated to prevention and early intervention

66. Diverting resources from demand-led services towards prevention and early intervention when budgets are reducing is challenging. As part of its approach to joint resourcing, the CPP has committed itself to ensuring that sufficient priority is given to resources which are allocated to prevention and early intervention. Once the CPP has established what overall resources are

²¹ NHS financial performance 2012/13. Audit Scotland, October 2013. The Scottish Government uses the NRAC formula to decide how much money each health board needs to deliver services.

available, the Leadership Board can use this information to decide how to allocate resources to these activities.

67. Some evidence shows that CPP partners have shifted their resources towards more preventative activities that are in line with the SOA ([Case study 7](#)). Evidence of improved outcomes through preventative activities will only become clear over time, but some local initiatives - such as the SCOTS programme (see paragraph 50) - have already had an impact.

Case study 7: Safe Drive Stay Alive Campaign

This Forth Valley-wide campaign aims to improve road safety among 17-25 year olds. All secondary schools in Falkirk took part in the 2014 event, which cost around £19,000 to run. Funding was provided by Falkirk, Stirling and Clackmannanshire Councils, the Scottish Fire and Rescue Service, and private sponsorship. Other local partners, including the NHS, Police Scotland and the voluntary sector are involved in the running of the event.

The campaign's aims are closely linked to the Falkirk CPP's safer, stronger communities and reducing re-offending outcomes. Since 2008, the Falkirk area has seen an overall reduction of 17 per cent in road traffic fatalities in the 17-25 age group.

Source: Scottish Fire and Rescue Service

How is Falkirk performing?

Key messages

- Falkirk's performance against most indicators in the previous SOA improved, but it is difficult to attribute changes specifically to the CPP's activities.
- Falkirk's recent performance against its current priorities is mixed, and the CPP faces a challenge to improve some key outcomes and narrow inequalities gaps.
- The CPP has yet to establish effective performance management arrangements to allow it to monitor progress against key priorities.
- The CPP must improve its performance reporting, including the ways it communicates its priorities, activities and performance to local people and communities.

Most indicators in the CPP's previous SOA improved in recent years but it is difficult to attribute changes specifically to the CPP

68. Falkirk CPP's annual monitoring statements summarise the progress the partnership has made and how it has performed against the SOA's outcomes. The indicators in the CPP's monitoring statements are grouped around the 16 National Outcomes that the Scottish Government introduced in 2007.²² In its most recent monitoring statement, published in May 2014, the CPP reported that between 2006 and 2013:
- 60 per cent of local indicators in its previous SOA (2009-11) met their targets.
 - 17 per cent did not meet their targets.
 - For the remaining 23 per cent of indicators, targets were not considered appropriate or data were not available.
69. The CPP's performance varied widely against individual indicators within the National Outcomes. For example, for those indicators where data were available:
- the CPP met its targets for all indicators for four National Outcomes²³
 - the CPP met its targets for less than half the indicators for two National Outcomes.²⁴

²² The National Outcome relating to older people was added to the National Performance Framework in December 2011.

²³ The CPP met its targets for all indicators for: (1) Our young people are successful learners, confident individuals, effective contributors and responsible citizens. (2) We have improved the life chances for children, young people and families at risk. (3) We live our lives safe from crime, disorder and danger. (4) Our people are able to maintain their independence as they get older and are able to access appropriate support when they need it.

²⁴ The CPP met its targets for less than half the indicators for: (1) We are better educated, more skilled and more successful, renowned for our research and innovation. (2) We live in well-designed, sustainable places where we are able to access the amenities and services we need.

70. The CPP Leadership Board discussed the latest monitoring statement at its meeting in January 2014. Members welcomed the reported improvement in most indicators since 2006. They also discussed possible explanations, including the economic downturn and the impact of welfare reform, for the lack of improvement in other indicators. Members welcomed the level of aspiration displayed by the indicators. This included a number of what they refer to as "stretch aims", which set ambitious and challenging long-term targets.

The CPP's performance monitoring statements do not allow for effective scrutiny of the partnership's performance in improving outcomes

71. While Falkirk CPP's annual monitoring statements to date summarise whether indicators are improving in the long term, the measures do not help to promote effective scrutiny of the partnership's performance. For example, in the most recent monitoring statement:
- Some targets were to 'monitor' or 'reduce' and provided no indication of the level of progress the CPP expected to see.
 - There were a large number of indicators (210 in the 2012/13 monitoring statement) but there was little commentary to describe or explain trends in performance.
 - Some performance information for the most recent year was missing because data were unavailable.
 - Other than some comparisons with the Scottish average, the CPP did not use any benchmarking data to assess its progress in comparison to other areas.
72. The CPP's monitoring statements do not indicate what difference the partnership itself is making to improve the lives of local people. They do not attribute the CPP's actions to outcomes and, where performance has improved, it is difficult to establish what CPP initiatives have contributed to the improvement.

The CPP has yet to establish effective performance management arrangements to allow it to monitor progress against key priorities

73. The Scottish Government's and COSLA's *Statement of Ambition* for community planning states that the SOA must be clear about:
- the long-term outcomes to be achieved over the next decade
 - the contributory outcomes, indicators and targets by which progress towards these will be demonstrated over the short and medium terms.²⁵

Each of the six priority areas in Falkirk's new SOA includes a list of proposed high-level indicators to measure progress and performance. An accompanying performance monitoring document includes baseline information, benchmarking information for some indicators (comparisons with Scotland figures) and targets.

74. There are fewer performance indicators than in previous SOAs, and they are more clearly linked to the local context and priorities. Some outcomes display considerable aspiration, for

²⁵ *Statement of Ambition*, Scottish Government and COSLA, March 2012.

example, all Falkirk children will achieve their potential through education and skills development. However, the targets mostly indicate the desired direction of improvement (“increase” or “reduce”) or are blank, and there are no timescales. In their present form, these indicators do not allow for effective performance monitoring as they provide no indication to the CPP of whether outcomes are improving at an appropriate rate, or whether inequalities are reducing. As such, they do not help the CPP meet its stated commitment to be transparent and accountable for how it performs.

75. The CPP's Improvement Group has established a working group to improve performance management, but its work is at an early stage. The CPP has agreed to review progress against key indicators more regularly (every six months) but has yet to agree what will be included in the performance reports. It is important that the CPP uses its revised performance reporting arrangements to help make decisions, for example:
- to identify quickly where outcomes are not improving so partners can redirect resources accordingly
 - to help identify specific priorities in each of the thematic areas
 - to share good practice from successful initiatives.

The Leadership Board must use the new performance management arrangements to assess how well the CPP is tackling inequalities in outcomes

76. Reducing inequalities is a central theme in the Scottish Government's and COSLA's *Statement of Ambition*. This states that public services must improve outcomes and reduce the outcomes gaps within populations and between areas. In its 2012/13 monitoring statement, the Falkirk CPP reported that it met around two-thirds of its targets for the 22 indicators under the National Outcome *We have tackled the significant inequalities in Scottish society*. However, these indicators (and other indicators in the monitoring statement) provide little information about the extent to which inequalities between different groups or areas in Falkirk have reduced in recent years.
77. In its new SOA, the CPP committed itself to tackling the most significant inequalities in the Falkirk area. The CPP's new performance framework includes several indicators to monitor its progress in reducing gaps in outcomes. To fulfil its commitment to tackle inequalities, the Leadership Board should require relevant performance information, including data collected at local ward or datazone levels.²⁶ This will help it assess the partnership's progress against these indicators and hold partners to account for narrowing inequalities in outcomes.

Recommendation - The CPP should use its revised performance management arrangements to provide the Leadership Board with regular, good quality information to

²⁶ The Scottish Index of Multiple Deprivation provides a relative measure of deprivation across 6,505 geographical areas (or datazones) across Scotland, each covering an average of just under 1,000 people. There are 197 datazones in Falkirk. The index is made up 38 indicators in seven areas: income, employment, health, education, access to services, crime and housing. Each indicator is weighted according to its importance.

help inform its decision making, and to allow it to monitor progress in improving outcomes and tackling inequalities.

There has been mixed progress in recent years in Falkirk's performance against the priority areas in its new SOA

78. As we noted in Part 1, Falkirk CPP's new SOA for 2013-15 focuses on six priority areas. The performance monitoring document that accompanies the new SOA contains a range of indicators for each priority. We examined a range of indicators that the CPP plans to use to monitor progress against its new SOA to assess:

- the CPP's recent performance in delivering improved outcomes in each of these priorities
- the extent of the challenge facing the CPP.
- To assess Falkirk's progress compared to other areas, we also examined corresponding Scotland-wide data and data from three of Falkirk's neighbouring CPP areas (Stirling, Clackmannanshire and West Lothian).

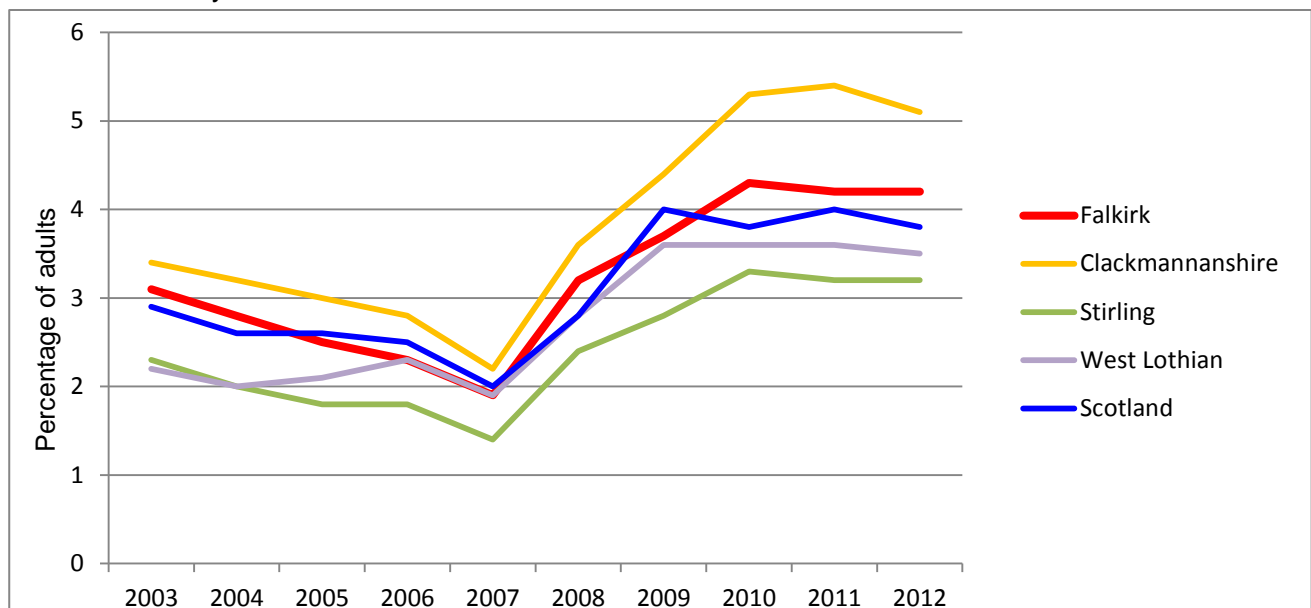
Falkirk's economic indicators show signs of improvement

79. The economic downturn saw the unemployment rate in Falkirk more than double from around two per cent to over four per cent between 2007 and 2010 (Exhibit 7). In recent years, the overall unemployment rate has remained largely steady. These changes are broadly similar to Scotland-wide figures and to neighbouring CPP areas.

Exhibit 7

Percentage of working age population registered as unemployed

The unemployment rate in Falkirk more than doubled between 2007 and 2010 but has since remained steady.



Source: Scottish Neighbourhood Statistics.

80. A recent eight per cent increase in the percentage of Falkirk school leavers in sustained positive destinations is broadly in line with neighbouring CPP areas and the national trend.²⁷ In 2012, the Falkirk figure was just over 90 per cent. The CPP has set a target of 91.5 per cent, although it has not set out a timescale.
81. Although not reported by the CPP, there has been good progress in reducing the gap between the most deprived areas and other areas in Falkirk in the percentage of school leavers in sustained positive destinations. Between 2007/08 and 2011/12, the gap between the 15 per cent most deprived areas of Falkirk and the overall Falkirk figure reduced from 13 per cent to four per cent.²⁸ During this period, the gap between school leavers living in the most and least deprived areas in sustained positive destinations decreased from 20 per cent to ten per cent.

People in Falkirk are living longer but the area faces some significant challenges to improve health and tackle health inequalities

82. Between 2003-05 and 2008-10, the average female life expectancy in Falkirk increased by around a year and male life expectancy increased by two years ([Exhibit 8](#)). For women in Falkirk, the recent increase in life expectancy was in line with the Scotland-wide figure but for men, the increase in Falkirk was higher than the national figure. Overall life expectancies in Falkirk are around six months lower than Stirling but in line with the other neighbouring areas and the Scottish averages.
83. While overall average life expectancy has increased in Falkirk, people living in the most deprived areas of Falkirk have lower average life expectancy than those living in the least deprived areas. In 2005-09, this gap in average life expectancy was over 15 years for men and almost nine years for women.
84. Falkirk has lower rates of drug-related and alcohol-related hospital admissions than neighbouring CPP areas and Scotland as a whole. However, the percentage of adults who smoke in Falkirk (28 per cent) is about four per cent higher than the national figure, and higher than in neighbouring CPP areas.

Falkirk has improved its performance as a safer place to live

85. Rates of recorded crimes in Falkirk have decreased steadily over the last ten years, broadly in line with neighbouring CPP areas and the national trend ([Exhibit 9](#)). Following several years of declining performance, the percentage of adults who feel safe when alone in their neighbourhood at night has increased in recent years in Falkirk. The Falkirk figure is higher than in Scotland as a whole, and compares well with neighbouring CPP areas.

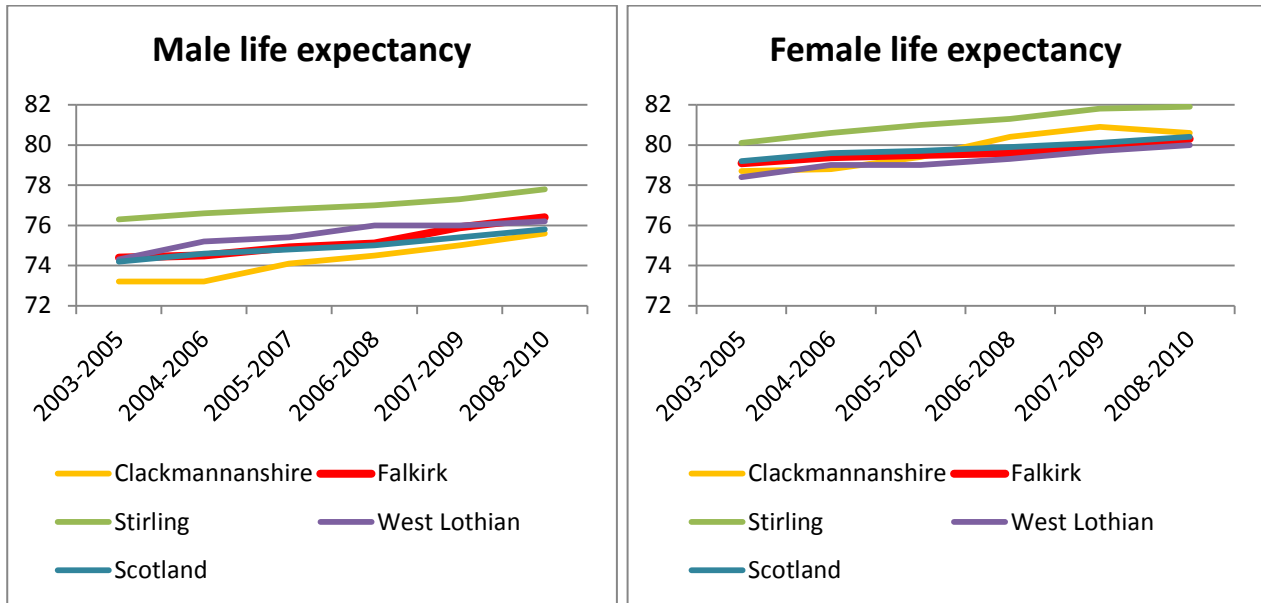
²⁷ Sustained destinations were assessed using a follow-up survey nine months after leaving school.

²⁸ Scottish Neighbourhood Statistics, 2011.

Exhibit 8

Average life expectancy, 2003-05 to 2008-10

Average life expectancy in Falkirk has increased in recent years.

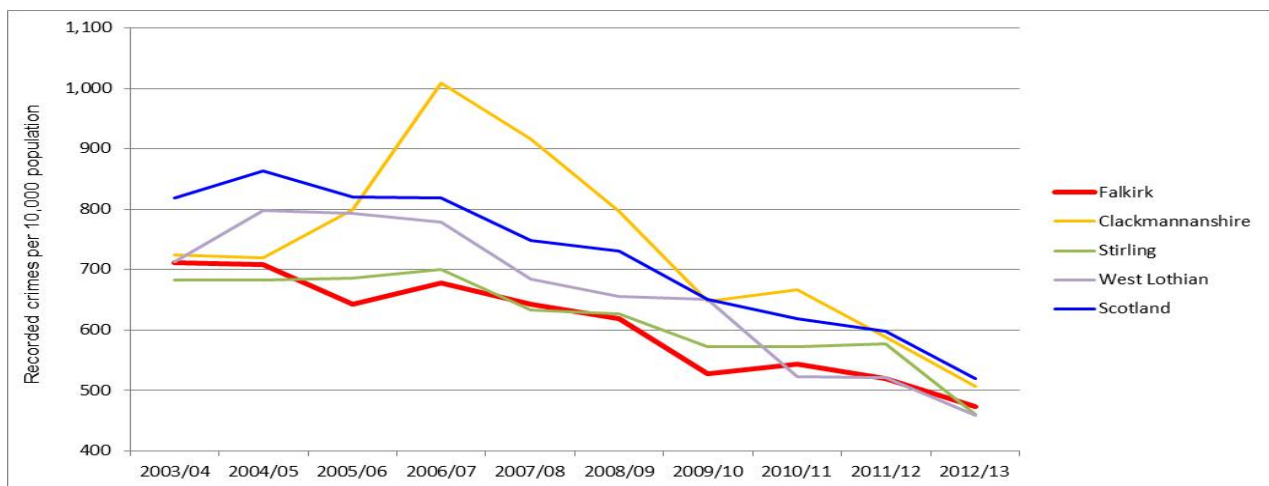


Source: Scottish Neighbourhood Statistics.

Exhibit 9

Recorded crimes per 10,000 population, 2003/04 to 2012/13

Rates of recorded crimes have improved and compare well to the national average.



Source: Scottish Government Statistical Bulletins on Recorded Crime

Falkirk faces challenges in improving key early years indicators

- 86. Breastfeeding has many major health benefits for both mothers and babies, both in the short and longer term. The percentage of babies being exclusively breastfed at 6-8 weeks is lower

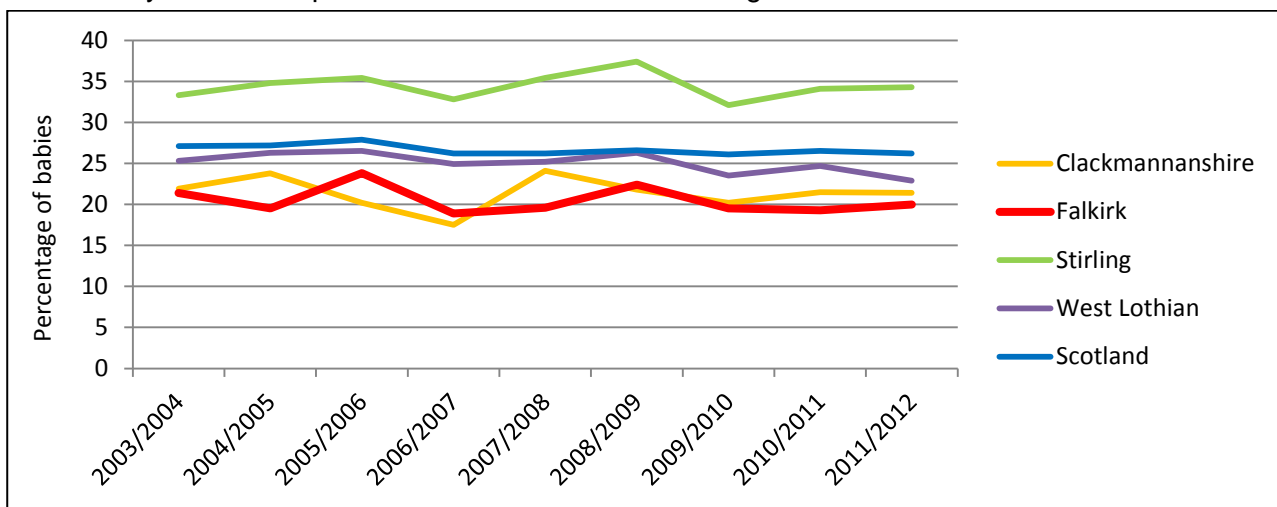
in Falkirk than in neighbouring CPP areas and has been consistently around six per cent below the Scottish average since 2002-04 ([Exhibit 10](#)). The CPP has a target to increase the breastfeeding rate but faces a challenge to reach the Scottish average. There are also large gaps in early years indicators between different areas of Falkirk, for example:

- a 22 per cent gap between the highest and lowest rates of exclusive breastfeeding at the 6-8 week review
- a 39 per cent gap between the highest and lowest rates of smoking during pregnancy.

Exhibit 10

Percentage of babies exclusively breastfed at 6-8 weeks

In Falkirk, since 2002-04, the percentage of babies exclusively breastfed at 6-8 weeks has been consistently around six per cent below the Scottish average.



Source: Scottish Neighbourhood Statistics.

87. The national Early Years Collaborative aims to ensure that women in Scotland experience positive pregnancies that result in the birth of more healthy babies. Reducing the percentage of low weight births is an indicator of progress towards this aim. There has been a recent slight increase in the percentage of low weight babies born in Falkirk but figures are similar to neighbouring CPP areas and the Scotland average.

Falkirk has made good progress in improving outcomes for older people

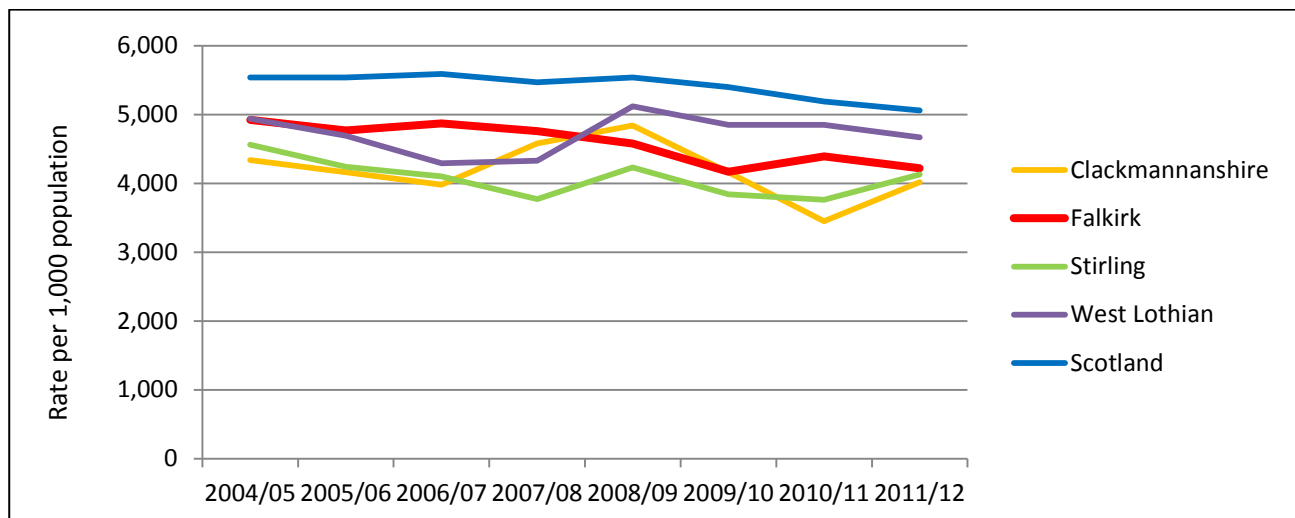
88. For some older people, a hospital admission can be followed by complications that prolong their stay. This affects their independence and ability to return home quickly. Falkirk achieved a 14 per cent reduction in the rate of people aged 75 and over who were admitted to hospital in an emergency between 2004/05 and 2011/12. During this period, the rate in Falkirk was around 15 per cent below the Scottish average ([Exhibit 11](#)).
89. The proportion of time spent at home or in a community setting such as a care home towards the end of a person's life provides an indication of progress in palliative care. Between 2007/08 and 2011/12, Falkirk achieved around 92 per cent for this indicator. This was higher

than neighbouring CPP areas and consistently around one per cent above the national average.

Exhibit 11

Rate per 1,000 of emergency inpatient bed days for people aged 75 and over, 2004/05 to 2011/12

Falkirk's rate decreased by over 14 per cent between 2004/05 and 2011/12 and remains lower than the national rate.



Source: Scottish Government

Poverty in Falkirk is lower than in Scotland as a whole but there are significant inequalities between local areas

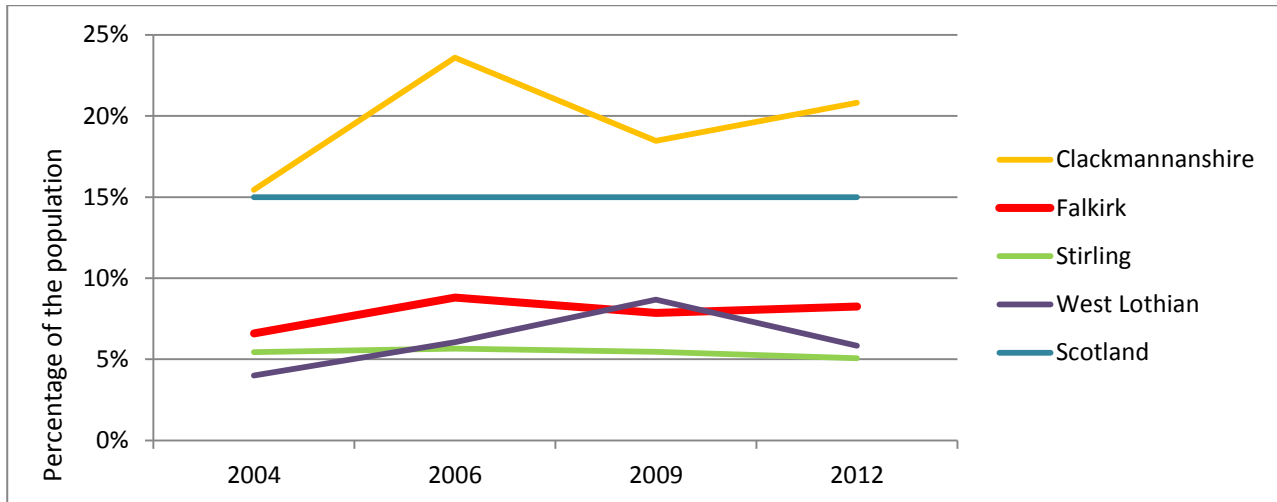
90. The percentage of Falkirk's population living in the most deprived 15 per cent of areas in Scotland has remained largely unchanged since 2006 (Exhibit 12). It is similar to the corresponding percentages in Stirling and West Lothian, and lower than Clackmannanshire and Scotland as a whole.
91. Although the overall level of poverty in Falkirk is lower than Scotland as a whole, there are considerable differences in poverty-related indicators between local Falkirk areas. In 2012, the percentage of the working-age population receiving unemployment benefits was 43 per cent higher in the worst-performing area than in the best-performing area. This gap decreased from around 54 per cent in 2002.

The CPP must improve its performance reporting to help demonstrate its impact in improving local outcomes

92. The Scottish Government's and COSLA's *Statement of Ambition* for community planning states that transparent and accessible public reporting is key to:
 - providing assurance about the effectiveness of the CPP
 - helping CPPs improve how they perform.

Exhibit 12**Percentage of the population living in the most deprived 15 per cent of areas in Scotland, 2004 to 2012**

The Falkirk figure is largely unchanged since 2006 and remains lower than the Scotland level.



Source: Scottish Index of Multiple Deprivation, 2004 to 2012.

93. The indicators in the CPP's new performance monitoring document are based around the six priorities in the new SOA and are intended to provide a better measure of progress towards local outcomes. There are 76 indicators, which is around one third of the total in the CPP's 2012/13 monitoring statement. They will provide a more concise summary of progress towards delivering the SOA but, as with previous monitoring statements, the targets mostly indicate the desired direction of improvement, or are blank. There are no timescales for achieving the targets, and it is not clear how the CPP will demonstrate how progress over the short and medium terms will contribute to achieving its long-term outcomes.
94. Our focus groups of local residents and service delivery managers told us that the CPP needs to improve how it reports its progress externally against outcomes to demonstrate what it has achieved locally. This would help to raise awareness of the CPP by publicising areas of local improvement and to highlight where it needs to make progress. Local organisations also highlighted a need to report examples of successful initiatives with local communities, and with other partners, to share good practice.

(The CPP) needs a centralised way to communicate.

People need to know more about what's going on.

Local residents.

A lot has been achieved, in both the business and residential community, but we don't communicate this well enough.

Local partner organisation

95. At the Falkirk community planning conference in November 2013, partners discussed ways of involving local people more in the CPP's work, including raising awareness of the CPP and improving the way it reports publicly on how it is performing. The new Improvement Group has been tasked with improving the CPP's performance management. It has set up a working group, but its work is at an early stage. It is essential that this group develops effective ways of reporting the CPP's performance to the Leadership Board, to partner organisations and to local people and communities to show how it is improving local outcomes.

The CPP needs to adopt more innovative ways of communicating its priorities, activities and performance to local communities

96. Falkirk CPP does not have its own website. Instead there is a 'strategic community planning' section on Falkirk Council's website that contains links to partners' websites as well as general information about the CPP. This section includes a link to the Strategic Community Plan 2010-2015 but the latest SOA and monitoring statements are published elsewhere on the council's website. The community planning web pages include the papers from the most recent CPP Leadership Board meetings and background information about the Leadership Board and the thematic groups. However, there is no information about the membership, activities or performance of the thematic groups. To help fulfil its commitment to transparency, the CPP needs to improve its web pages to provide accessible and up-to-date information about its priorities, activities and impact.
97. The CPP plans to increase its external communication by publishing more regular information in a local newspaper to raise awareness of its activities and impact. To deliver its commitment to be transparent and accountable, it should also consider more innovative ways of communicating with local people and communities, including producing newsletters and using social media such as Facebook and Twitter.

Recommendation - The CPP should improve how it communicates with local communities to provide clear and accessible information about its priorities, activities and performance.

Improvement agenda

Vision and strategic direction

- The CPP must establish the main priorities for Falkirk that target specific areas of concern.
- The CPP should develop a clear plan for implementing its SOA. This should specify priorities and set out each partner's roles and responsibilities and the action they are required to take to improve outcomes.
- The CPP must develop a clear plan to promote a strategic shift towards prevention and early intervention, and use this plan to determine priorities and monitor progress.

Governance and accountability

- The CPP Leadership Board must take a more strategic and central role in monitoring progress against the partnership's priorities, and hold individual partners and thematic groups to account for delivering specific outcomes. It should also ensure that board members receive training necessary to perform their role.
- The CPP Leadership Board needs to hold the Improvement Group to account to ensure the group makes significant early progress in improving how the CPP operates.
- The Leadership Board needs to ensure that the thematic groups' activities fully reflect the CPP's key priorities and are contributing effectively to improving local outcomes.
- The CPP must ensure that it influences the development of the new health and social care partnership and that the new arrangements will help achieve its SOA priorities.
- The CPP should evaluate existing approaches when considering how to improve how it works with and involves local communities.

Collaboration and use of resources

- The CPP Leadership Board should provide strong direction to help partners overcome barriers to sharing information.
- The CPP must provide strong leadership to ensure that partners' resources are aligned to agreed outcomes and to help partners, in particular Falkirk Council and NHS Forth Valley, overcome barriers to joint resourcing.

Performance and outcomes

- The CPP should use its revised performance management arrangements to provide the Leadership Board with regular, good quality information to help inform its decision making, and to allow it to monitor progress in improving outcomes and tackling inequalities.
- The CPP should improve how it communicates with local communities to provide clear and accessible information about its priorities, activities and performance.

Appendix 1: Methodology

The focus of our work was to assess the effectiveness of community planning in Falkirk in making a difference to local communities.

We did this by gathering and evaluating evidence to allow us to address the following four issues outlined in paragraph 7.

Thematic and area reviews

- We conducted specific audit work, including holding focus groups for service managers, under the economic development and early years themes. We also arranged focus groups of residents from two areas of Falkirk (Maddiston and Dawson) to explore their views of local community planning.
- Representatives from Education Scotland and the Care Inspectorate took part in interviews with officials from Falkirk Council to help us with our thematic reviews.

Desk research

Our audit team reviewed a range of documentary evidence provided by the partnership, including:

- previous and current versions of the SOA
- individual community planning partner organisations' strategies
- community planning meeting agendas, minutes and reports.

Data analysis

We analysed performance data for a range of indicators in the Falkirk SOA 2013-15, including the following sources:

- Scottish Neighbourhood Statistics
- Scottish Index of Multiple Deprivation
- Office for National Statistics
- National Records of Scotland
- Nomis labour market statistics
- The Scottish Public Health Observatory
- NHS Scotland Information Services Division
- Audit Scotland Statutory Performance Indicators.

On-site fieldwork

We attended a range of community planning meetings, the Falkirk community planning conference in November 2013 and various community planning events.

We carried out interviews and focus groups with a range of community planning partners between October 2013 and February 2014. These included members of the Leadership Board and thematic groups representing the following organisations:

- Falkirk Council
- NHS Forth Valley
- Forth Valley College
- CVS Falkirk and District
- Police Scotland
- Scottish Fire and Rescue Service
- Skills Development Scotland
- Scottish Enterprise
- The South East of Scotland Transport Partnership (SEStran)
- Falkirk Community Trust
- Barnardo's
- Aberlour Trust.

ACCOUNTS COMMISSION

MEETING 15 MAY 2014

COVER NOTE BY SECRETARY AND BUSINESS MANAGER

BEST VALUE AUDIT (FOLLOW-UP): COMHAIRLE NAN EILEAN SIAR

Purpose

1. The purpose of this report is to introduce a report by the Controller of Audit on the progress made by Comhairle nan Eilean Siar against improvements previously required by the Commission. The Commission is invited to consider the report and decide how it wishes to proceed.

Background

2. The first Best Value and Community Planning audit report on Comhairle nan Eilean Siar was published on 17 August 2006. The Commission found that the Comhairle could not demonstrate a commitment to continuous improvement and that the pace of change within the Comhairle needed to be increased. The Commission considered a second audit report at its meeting on 10 November 2011. In its findings, published on 29 November 2011, the Commission expressed concerns over the slow pace of improvement in certain key areas and requested a subsequent progress report from the Controller of Audit in around 12 months' time.
3. Subsequently, at its meeting on 15 November 2012, the Commission considered a report by the Controller of Audit on the progress made by the Comhairle in addressing the Commission's previous findings. The Commission agreed to publish findings, as set out in Appendix 1. The findings, which were published on 18 December 2012, asked the Controller of Audit to monitor progress and report on progress at an appropriate time within the next 18 months. The attached report by the Controller of Audit is in response to that request.

The report

4. The report is made under section 102(1)(a) of the Local Government (Scotland) Act 1973 (as amended by various subsequent pieces of legislation including the Local Government in Scotland Act 2003). The report is also being sent to the Comhairle, which is obliged to supply a copy of the report to each member of the Comhairle and make additional copies available for public inspection.
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.

Consideration of the report

6. The Controller of Audit and members of the audit team from Audit Scotland will be present at the Commission meeting to answer questions.
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. If the Commission considers that it requires further information to proceed with its consideration of the report, it may direct the Controller of Audit to carry out further investigations. If the Commission is satisfied with the information which it has, it may wish to proceed to make findings unless members consider that a hearing is necessary.
9. The circumstances in which the Commission may wish to hold a hearing may include:
 - where the Commission has serious concerns about the performance of a local authority as demonstrated in the audit report; or
 - where there is a strong difference of opinion between the Controller of Audit and the local authority.
10. 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.

Conclusion

11. The Commission is invited to:
 - consider the follow-up report by the Controller of Audit on the progress made by Comhairle nan Eilean Siar against improvements previously set out by the Commission; and
 - decide how it wishes to proceed.

Paul Reilly
Secretary and Business Manager
5 May 2013

APPENDIX 1

The Audit of Best Value and Community Planning: a follow-up report Comhairle nan Eilean Siar

18 December 2012

Accounts Commission findings

1. The Commission accepts the Controller of Audit's report of the progress made by Comhairle nan Eilean Siar (the comhairle) in responding to its findings in relation to the report of the Best Value audit of the comhairle published in November 2011.

2. The Commission recognises the progress made by the comhairle. It is encouraged by the improvements in the comhairle's arrangements for managing performance and finance. In particular, it notes the potential of the performance management system in supporting elected members to monitor and scrutinise the comhairle's performance and impact more effectively. This potential has yet to be fully realised.

3. The Commission, however, notes with concern that some areas have not progressed. It is concerning that the comhairle is still not able to gauge effectively the satisfaction of customers. Significantly, it also needs to make more progress in how it manages its workforce. Completion rates for performance appraisals need to improve further and the comhairle needs to address more clearly the rising sickness absence levels. It is also important that the comhairle delivers its improvement plan that it has put in place to respond to the findings of its staff survey.

4. This report represents a baseline for improvement. The Commission encourages the comhairle to increase the momentum of improvement. To this end, the Commission asks the Controller of Audit to monitor progress and report on progress at an appropriate time within the next 18 months.

Comhairle nan Eilean Siar

Audit of Best Value

2014



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.

Contents

Introduction	4
Summary	5
Overall conclusions	5
Audit Findings	7
Improvement processes	7
Performance management	8
Workforce management	9
Asset management	12
Customer satisfaction.....	14
Recommendations	16

Introduction

1. The Local Government in Scotland Act 2003 created a statutory duty of Best Value for all councils, and the Accounts Commission for Scotland is responsible for reporting to the public on the extent to which individual local authorities meet this duty. Audit Scotland staff carry out the audit work on Best Value and the Controller of Audit provides audit reports to the Commission.
2. The first Best Value and Community Planning audit report on Comhairle nan Eilean Siar (the Comhairle) was published in August 2006. The audit found that the Comhairle could not demonstrate a commitment to continuous improvement and that the pace of change within the Comhairle needed to be increased. Following a second audit report, in November 2011, the Accounts Commission (the Commission) expressed concerns over the slow pace of improvement in certain key areas and requested a subsequent progress report from the Controller of Audit around 12 months later. This follow-up audit report was published in December 2012.
3. In its findings in December 2012, the Commission recognised that progress had been made by the Comhairle since 2011. In particular, it noted developments in its performance management system, although the potential benefits of this had still to be fully realised. However, the Commission noted with concern that further progress was needed in some areas. In particular, the Comhairle was still not able to gauge properly the satisfaction of customers, and it needed to make more progress in managing its workforce effectively. In particular, the Comhairle needed to:
 - improve completion rates for performance appraisals;
 - address rising sickness absence levels;
 - deliver the improvement plan developed from its staff survey.
4. The Commission encouraged the Comhairle to increase the momentum of improvement, and to underline this, it asked the Controller of Audit to report on progress "at an appropriate time within the next 18 months". This follow-up audit assesses the extent to which the Comhairle has addressed the Commission's concerns and continued to improve in the areas identified in the 2012 Best Value follow-up audit report.
5. We gratefully acknowledge the cooperation and assistance provided to the audit team by Councillor Angus Campbell, Leader of Comhairle nan Eilean Siar; Malcolm Burr, Chief Executive; Lesley McDonald, Head of Executive Office; and all other councillors and staff involved.

Summary

Overall conclusions

The Comhairle has consolidated earlier progress in developing performance management, reporting and self-evaluation, to establish a more effective and embedded culture of challenge and improvement. It has also built on these foundations to demonstrate real improvements in key areas such as asset and workforce management. The Comhairle has brought together the views of its communities and used these to influence decisions and service design. It recognises it can make further progress in developing its approach to understanding and responding to customer views.

6. The Comhairle has responded well to the Commission's findings on the December 2012 Best Value follow-up report. It has used its corporate improvement plan to drive the improvements required and to monitor progress. As a result, a more effective culture of performance management and self-evaluation is embedded across the organisation, and an increased pace of change is evident, especially in key areas such as asset and workforce management.
7. The Comhairle recognises there are still areas for further improvement. It has recently revised its corporate improvement plan to reflect other improvement initiatives over and above those identified in Best Value audits. In addition, an effective corporate improvement member/officer working group (MOWG)¹ has been established that monitors the plan and holds responsible officers to account for its delivery.
8. The Comhairle's improvement work now benefits from a greater focus on self-evaluation. It has matured in its approach to this, directing the process towards areas where it can have greatest corporate impact and including a broader range of people in challenging performance. This integrates well with the regular, detailed performance management reports now produced for each service, to support effective scrutiny by elected members and to hold directors to account for performance.
9. The proportion of staff receiving a performance appraisal each year has more than doubled in recent years to 86 per cent, although this is still below the Comhairle's target that all staff receive an annual appraisal. Performance appraisals have now become an integral part of staff and service training and development plans. However, more needs to be done to ensure all departments are completing these plans.
10. Average sickness absence (excluding teachers) in 2012/13 was 10.4 days. This was a decrease from the previous year and below the Scottish average of 10.9 days. Average sickness absence for teaching staff was 7.2 days in 2012/13. Absence amongst teachers has been decreasing over the past four years but remains above the national average of 6.6 days. The Comhairle achieved these reductions in sickness absence against a backdrop of average

¹ The MOWG consists of the chief executive, all directors, the head of executive office, the Comhairle's Convener, and the chairs and vice-chairs of the audit and scrutiny and policy and resources committees.

staff absence in local authorities increasing nationally during 2012/13. Its latest figures for 2013/14 (unaudited) show the recent reduction in average staff absence (excluding teachers) to have been sustained, while the average absence amongst teachers is significantly lower at 5.6 days. The Comhairle expects to introduce further improvements in managing absence during 2014/15.

11. The Comhairle has continued to make progress on improvement actions resulting from its 2012 staff survey. It has implemented new HR policies and strategies and developed a greater emphasis on the performance of individuals and their training and development needs. It is planning to carry out a further staff survey in 2015 to judge the success of its actions and identify further areas for improvement.
12. More limited progress has been made in developing effective and systematic approaches to evaluating customer and citizens' satisfaction since our 2012 report. While there are clear examples of the Comhairle's decisions and the design of its services being influenced by consultations and feedback, it acknowledges that it can improve further in this area.
13. Through its routine annual work, the local external audit team will continue to monitor future improvement and developments in the Comhairle and liaise with Audit Scotland staff nationally. More widely, scrutiny bodies in the local area network (LAN) will also assess future risks through the shared risk assessment (SRA) process and provide support and challenge as appropriate.

Audit Findings

Improvement processes

The Comhairle monitors its corporate improvement plan closely through its corporate improvement member / officer working group (MOWG). It has developed the plan to include additional improvement initiatives over and above those identified in previous Best Value audit reports. The Comhairle has also identified improvement actions through better self-evaluation procedures. It has matured in its approach to this, directing the process towards areas where it can have greatest corporate impact and including a broader range of people in challenging performance.

Corporate improvement plan

14. In June 2012, the Comhairle agreed its corporate improvement plan in response to the five areas identified for further action in the 2011 Best Value audit, namely:
 - Performance Management
 - Continuous Improvement/ Self Evaluation
 - Pace of Change/ Change Management
 - Partnership Arrangements
 - Customer Satisfaction
15. This improvement plan also included actions to address communication issues that were highlighted in the 2012 staff survey. It detailed specific actions required to address each improvement area, assigned each action to a senior officer, and set out the timescale in which the action should be achieved. Subsequently, the Comhairle amended its 2012 action plan to include all areas of improvement activity, including the results of self evaluation and external audit and inspection, to ensure resources are focused on addressing priority improvement areas.
16. In December 2012, we reported that the Comhairle had the capacity to deliver its improvement plan, but highlighted the need for senior officers and councillors to continue to monitor progress on a regular basis and to ensure that actions are prioritised and coordinated effectively. The corporate improvement MOWG has successfully monitored implementation of the plan since July 2012, meeting monthly to assess progress and maintain the pace of change.
17. While the Comhairle has assessed that much of the work in its 2012 action plan is now complete, it continues to maintain a corporate focus on developing improvements under the five main themes highlighted in the 2011 Best Value audit report. As a result, in September 2013, it agreed a revised corporate improvement plan. The MOWG continues to receive reports addressing progress against the original action plan, but at each meeting, it also now considers in detail one of the five areas for improvement to agree any additional actions required.

Self-evaluation

18. The 2011 Best Value audit report identified that the Comhairle did not have a corporate self-assessment process to help it identify where it most needed to improve. In response, the Comhairle has implemented the 'How Good Is Our Council?' (HGIOC) self-evaluation toolkit², rolling out its use across service departments.
19. The Comhairle's internal challenge team, comprising two senior officers from each of its six departments, carries out HGIOC assessments. It has recently agreed to extend the internal challenge team to include two elected members from the audit and scrutiny committee and two from the policy and resources committee. It will also include an independent, external person in the challenge team who has relevant evaluation experience. This person will act as a 'critical friend' and bring greater independence to the process.
20. The Comhairle first used the HGIOC self-evaluation toolkit in early 2013. It examined itself against quality indicators relating to:
 - its key processes for delivering services;
 - developing, managing and improving partnerships; and
 - improving the quality of services to stakeholders.
21. Both the Comhairle's elected members and its corporate management team have monitored how well departments have carried out the self-evaluations, analysed their results and considered what these mean for the quality of the Comhairle's services. The corporate improvement MOWG has provided strong leadership to promote use of the self-evaluation toolkit to deliver improvements. This has included prioritising which areas will be assessed, and questioning the appropriateness of some of the indicators used for self-evaluation. As a result of this monitoring and management, the process has more focus on outcomes and greater potential for impact and improvement.

Performance management

The Comhairle has consolidated the significant progress made earlier in developing its performance management framework and public performance reporting. It has strengthened its culture of performance management and improvement and increased the level of scrutiny and challenge by councillors.

22. The Comhairle has made significant progress since the 2011 Best Value report in developing its performance management framework. It is continuing to increase the level of scrutiny and challenge by councillors, and embed a performance management culture throughout the organisation that now sees performance and improvement routinely discussed in a mature way.
23. Under the revised arrangements, performance management is a standing agenda item for each service committee, and the policy and resources committee. At each meeting,

² The *How Good Is Our Council?* self-evaluation framework was originally developed by Perth and Kinross Council but is now widely used across public bodies

councillors receive a monitoring report detailing performance against relevant indicators linked to the Comhairle's single outcome agreement (SOA). The reports highlight where targets have not been met and provide an explanation of the potential impact of any under performance. Directors also draw members' attention to key aspects of performance for their particular department and associated actions being taken.

24. The performance monitoring reports cover a good range of issues and use a standard presentational approach, providing councillors with a clear and consistent overview of how departments are performing. Overall, these arrangements mean progress is considered in detail in an appropriate forum, scrutiny and challenge on performance has improved and directors are held to account more effectively.
25. The Comhairle has continued to develop *Interplan* (its corporate performance monitoring system) to support improvements to its performance management framework. The system aligns clearly the Comhairle's corporate themes, to national outcomes, local objectives, Outer Hebrides CPP objectives, and actions in service business plans. This allows the Comhairle to demonstrate the impact of its work more effectively, and provides a clear illustration of how local tasks and actions contribute to corporate objectives and national outcomes.
26. The Comhairle improved its public performance reporting arrangements during 2013 with the introduction of its 'public performance calendar'. The calendar presents a range of information, structured around the outcomes planned in the local Single Outcome Agreement (SOA), as well as service specific information. It also provides the public with access to further information by providing hyperlinks to the performance pages of the Comhairle's website. Here the public can access more detailed performance material, such as the Comhairle's comparative performance in the local government benchmarking framework. Public reaction to the calendar has been very positive.
27. Councils are required to report performance in a balanced and transparent way. While the Comhairle has improved its public performance reporting, its public-facing reports could give more attention to those areas where performance is less successful and what is being done to address it. Achieving this would be evidence of the Comhairle continuing to mature and being able to report to its communities on performance more confidently.

Workforce management

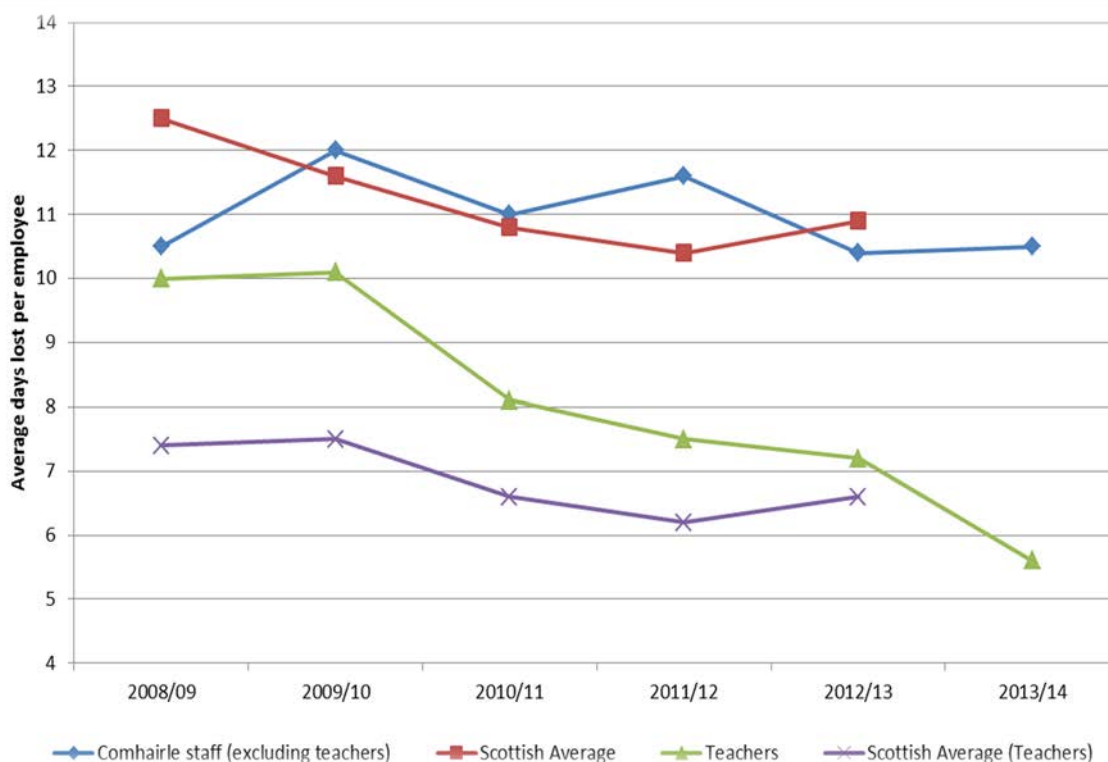
The Comhairle has made significant improvements in the management of its workforce. It has reduced sickness absence, and improved its understanding of staff development needs by increasing completion rates for staff performance appraisals. It has also implemented a range of actions resulting from its staff survey. The Comhairle plans to introduce further improvements to recording information in this area during 2014.

Sickness absence

28. Changes in the Comhairle's average staff sickness absence in recent years are shown in Exhibit 1 below.

Exhibit 1

The Comhairle's sickness absence levels 2008/09 - 2013/14³



Source: Statutory performance indicators and Comhairle nan Eilean Siar's data for 2013/14

29. During 2012/13, sickness absence fell below its 2008/09 level to an average of 10.4 days lost per employee⁴ (excluding teachers) and was below the national average of 10.9 days. Absence levels for teaching staff also continued to decline to 7.2 days, although this remained above the Scottish average of 6.6 days. The Comhairle achieved reductions in sickness absence in 2012/13 when there was an increase in the average absence levels amongst local authority staff nationally.
30. The Comhairle's unaudited data for 2013/14 shows the recent reduction in average staff absence (excluding teachers) to have been sustained. Average absence amongst teachers during 2013/14 has fallen to 5.6 days and is now almost half the level it was in 2008/09.
31. The Comhairle has actively reduced the level and cost of absence in a number of ways. Directors are now provided with quarterly sickness absence reports for their teams, so they are better informed and more able to pro-actively manage absence levels. The Comhairle has also revised its policy for granting special leave, resulting in a saving of £30,000. In addition,

³ Sickness absence in 2013/14 is from the Comhairle's own unaudited data. National averages are not yet available for 2013/14

⁴ Sickness absence data in our December 2012 report is different from the figures shown here. During 2013, the Comhairle identified an element of double counting in sickness absence within its integrated HR/payroll system (Resourcelink). As a result of subsequent corrections, its recalculated absence rates are lower than those previously reported.

since May 2013, it has employed a temporary HR assistant to assist line managers to implement sickness absence procedures, and target key areas needing attention.

32. The HR assistant has focussed on providing support to home carers where occupational health has signed them off from work, as the Comhairle identified this as the top priority area for attention. To date, five home carers who were previously on long-term sick leave, either have returned to work or are no longer employed by the Comhairle. The HR assistant will continue to focus on the remaining 30 long-term sick leave cases within Home Care before providing wider support across other services. The appointment of the HR assistant has also resulted in more effective management of short term sickness absence (up to 37 consecutive hours) through consistent application of relevant policies.
33. In December 2012, we reported that the Comhairle was not clear on the underlying causes for its high level and increases in sickness absence, and that quarterly reporting on sickness absence was inconsistent across departments. An internal audit report in July 2013 concluded that the Comhairle still had difficulties in obtaining a clear understanding of the underlying causes of sickness absence across the organisation due to departments' ad hoc approaches to recording sickness absence. The Comhairle is working to improve its information base by establishing a consistent corporate approach to absence recording through an upgrade to its integrated HR/Payroll system (Resourcelink) by the end of 2014. If effective improvement is to continue, it will need to be supported by a better understanding of what influences the absence levels that are achieved, as this will help make the action needed clearer.

Staff performance appraisal

34. The Comhairle introduced a performance appraisal process for its staff in September 2009, as part of its arrangements to manage service performance and support the delivery of business plans and the corporate strategy. Previous Best Value audit reports expressed concern that the number of performance appraisals completed was well below the Comhairle's target for all staff to receive an annual appraisal, suggesting that the process was not effective.
35. Improving the performance appraisal rate is part of the corporate aim of embedding a performance management culture in the Comhairle. It has achieved ongoing improvement over the past four years, driving completion rates up from 42 per cent in 2009/10 to 86 per cent in 2012/13. The Comhairle's staff appraisal rate for 2013/14 is currently being finalised.
36. As part of its focus on ensuring all staff receive a performance appraisal, the Comhairle monitors completion rates quarterly. While closer monitoring is a positive development, it is complicated when done on a quarterly basis by departments having different appraisal cycles. Some departments carry out appraisals in the first quarter of the financial year, following approval of business plans, while others complete appraisals later in the year, when drafting the following year's business plan. This limits the potential for any corporate analysis of the appraisal data, and consequently the effectiveness of links to annual planning and corporate workforce development initiatives. The Comhairle might benefit from considering what improvements it could achieve by having a more standardised appraisal cycle.

37. The Comhairle's recent success in driving up completion rates provides it with much better information for preparing departmental training plans. With the introduction of its new Learning and Development Strategy approved in June 2013, performance appraisals and departmental training plans are now a fundamental part of departmental business and financial planning processes. However, not all departments have produced annual training plans to date. Given the importance now given to learning and development, the Comhairle needs to ensure that a full set of departmental training plans is available, so that it can assess overall corporate development needs and the relevant resources required.

Staff survey

38. The Comhairle carried out a staff survey in January 2012 and reported on the findings in June 2012. As we previously reported, in comparable areas, the survey showed a picture of general improvement from its previous survey in 2008. This was evident in job satisfaction as well as how satisfied staff were with key aspects of management, such as listening, encouragement, delegation and decision-making. However, a relatively low proportion of staff believed that good performance was recognised, that performance appraisal was beneficial and that poor performance is dealt with effectively.
39. In September 2012, the Comhairle approved an improvement plan in response to the issues raised in the staff survey, which included actions relating to communication, performance, support and training. It has now delivered most of this action plan and implemented a number of developments, including the introduction of a respect at work policy, a new Learning and Development Strategy and a greater emphasis on performance appraisal and departmental training plans. The corporate improvement member/officer working group (MOWG) is responsible for monitoring delivery of the action plan. The Comhairle is planning to carry out another staff survey in 2015.

Asset management

Since 2012, the Comhairle has put in place strategic plans and supporting arrangements to improve the management of its assets. Along with its community planning partners, it has established a framework for collaborating on the management of assets.

40. The 2012 Best Value audit report highlighted that the pace of change in asset management had been slow, but that asset management related strategies and plans were in development. Since then, the Comhairle has introduced new plans and structures to support more effective asset management.
41. In June 2013, the Comhairle approved a new 2013-2018 Corporate Asset Management Plan (CAMP). This is underpinned by a planning framework to integrate asset management and investment decisions, as shown in Exhibit 2 below. The framework includes an Asset Management Senior Officers group, chaired by the Chief Executive, which monitors progress of the plan, coordinates investment options and provides a forum to identify best practice. The plan also includes an 'improving asset management' checklist for councillors' use in reviewing performance, as well as a system to assess project priorities and cost allocations.

Customer satisfaction

The Comhairle has made some progress to better understand customer satisfaction and use this to inform decisions and service design. It recognises there is still scope to generate this information in a more efficient and effective way.

45. The 2011 Best Value audit report identified that the Comhairle needed to measure customer satisfaction more effectively. It noted there were some good examples of approaches to gathering information about customer satisfaction within individual services, and recommended that the Comhairle use these to develop its corporate approach. However, our follow-up report in 2012 highlighted that little progress had been made to share good practice and learning across services, and that the Comhairle had not implemented its plan to establish a rolling programme of direct user surveys by June 2012.
46. The Comhairle acknowledges that it has not made as much progress as planned in coordinating its community and partner engagement and consultation activity in a more efficient and effective way. Progress on this has been slower due to greater priority being given to addressing immediate resource challenges. It is also concerned to avoid 'consultation fatigue' through gathering residents' opinions too much amongst its small communities.
47. Despite not delivering all of its planned improvements, the Comhairle is clearly more committed to, and focused on, customer satisfaction. It conducted an island-wide consultation on its 2013-15 budget strategy, which helped inform the choices made. The Comhairle provided feedback on how it had taken account of the public's views in setting the 2013/14 budget and indicative budget for 2014/15. It published this feedback on its Communities Connect *Portal-E-Sgìre*. There are other good examples of where the Comhairle has recently consulted with communities and responded to feedback in its decisions and service design. These include:
 - using a public opinion survey to influence its new waste strategy
 - developing a programme of user surveys to assess satisfaction with its Care at Home and homelessness services
 - using survey feedback from parents/carers about their local schools to inform the Department of Education and Children's Services business plan for 2014/17 and its validated self-evaluation (VSE) in 2013
 - consulting with stakeholders to develop a customer charter for its planning service
 - amending the timetable for the Broadbay bus service in response to feedback from local communities.
48. In addition, in June 2013 the Comhairle surveyed all suppliers who had expressed an interest in any tender during the previous year, to assess their views on the efficiency of its procurement procedures. The survey was issued to 341 suppliers and 47 responses were received. The Comhairle developed a range of actions in response to the feedback received and believes this contributed to the significant improvement in its 2013 Procurement Capability Assessment (PCA) score, as highlighted in Audit Scotland's April 2014 report [Procurement in](#)

Councils. This has increased during 2013 from 40 to 57 per cent, rising above the national average and exceeding the Scottish Government target of 50 per cent.

49. Following a successful pilot in 2011, the Comhairle adopted the Customer Satisfaction Measurement Tool (CSMT)⁵ as a corporate standard in January 2013. The CSMT enables the Comhairle to compare user satisfaction levels across departments and over time with other Scottish councils. The CSMT is currently being applied to user surveys for planning and building warrant applications. There is scope to extend its use to other regular user surveys.
50. The corporate improvement MOWG continues to monitor progress against intended customer satisfaction improvements. Its customer services steering group is also taking forward developments. For example, it is seeking to establish a coordinated schedule for customer service activity across the Comhairle, and is looking at the potential for using social networking as a means of gathering customer feedback.
51. In April 2014, the Comhairle issued a questionnaire seeking views on a wide range of council services from all community councils, residents' associations, elected members, community planning partners, youth councils and a sample of one in ten households. The responses will be analysed and reported to the Comhairle in September 2014, with a view to helping inform the budget setting process for 2015/16. The Comhairle plans to issue similar questionnaires on an annual basis.

⁵ The Improvement Service, Consumer Focus Scotland, Local Area Research + Intelligence Association (LARIA) and the Scottish Government jointly created the CSMT. It was launched in 2010.

Recommendations

The progress made by the Comhairle in response to previous Best Value reports is significant. There has been a clear increase in the pace of and prospects for improvement. However, Best Value is about continuous improvement, and the Comhairle will therefore want to sustain its progress.

To support this, we provide the following recommendations in relation to the areas covered by this specific audit work. We would expect the Comhairle to embed these within its overall improvement agenda, and to see them reflected in its key documents, such as the Corporate Improvement Plan. As indicated in the Summary section of this report, local external auditors will monitor progress as part of their annual audit activity. The recommendations are that:

52. The Comhairle should build on its progress in recent years, particularly in relation to self-evaluation, and more fully embed an improvement focused culture throughout the organisation.
53. The Comhairle should more effectively develop the skills of its workforce by:
 - ensuring that all staff having an annual performance appraisal;
 - considering the benefits of having a more standardised annual appraisal cycle linked to departmental business plans and corporate workforce planning; and
 - ensuring that departmental training plans are developed across all departments.
54. The Comhairle should manage its workforce more effectively by making best use of its information systems and monitoring sickness absence more consistently across the organisation. It should also generate a better understanding of the underlying causes of sickness absence, to ensure it can take appropriate action and be effective in achieving further improvements in absence levels.
55. The Comhairle should extend its use of the Customer Satisfaction Measurement Tool (CSMT) across all regular user surveys. It should also agree a coordinated corporate schedule of customer service activity to ensure that it gathers customer feedback most efficiently.
56. The Comhairle should report its performance to the public in a more balanced and transparent way by giving more attention to those areas where performance is less successful and what actions it will take to address this.