

# Stirling Council

## The Audit of Best Value and Community Planning



Prepared for the Accounts Commission

March 2005





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# The Audit of Best Value

The Local Government in Scotland Act 2003 introduced new statutory duties relating to Best Value and Community Planning.

The scope of Best Value and Community Planning is very broad but in general terms a successful council will:

- work with its partners to identify a clear set of priorities that respond to the needs of the community in both the short and the longer term
- be organised to deliver those priorities
- meet and clearly demonstrate that it is meeting the community's needs
- operate in a way that drives continuous improvement in all its activities

The challenge for local government is to find new ways of working across services and with other bodies to achieve the best results for citizens and service users. The key objectives of this audit were to:

- assess the extent to which Stirling Council is meeting its duties under the Local Government in Scotland Act 2003 and
- agree planned improvements with the Council. These will be reviewed by the Council's external auditor over the next three years.

As Best Value and Community Planning encompass all the activities of a council it is not realistic to audit everything in depth, so we plan our detailed work in two ways:

- Where possible, we draw on the findings of other scrutiny processes, such as the work carried out by the Council's external auditors and by inspectorates. These are incorporated into our report.
- We select certain aspects of the Council's performance for detailed audit investigation. A wide range of sources, including the Council's own assessment of its performance, reports issued by external audit and inspections and national Statutory Performance Indicators, informs this selection.

The report reflects this selective approach, with detailed commentary on some areas and limited or no coverage in others. While we have made some comparisons with other councils, our overall approach has focused on performance trends and improvement within Stirling Council. The report also reflects the picture available at the time our main audit work was conducted between September and November 2004.

We gratefully acknowledge the co-operation, assistance and hospitality provided to the Audit Team by Councillor Corrie McChord, Leader of the Council, Keith Yates, Chief Executive, Carol George, Quality, Performance and Research Manager and all other elected members and staff involved.



# Commission findings

1. The Commission welcomes this report on the performance of Stirling Council's statutory duties to secure Best Value and to initiate and facilitate the Community Planning process. The Commission recognises that the report gives a broad picture of the Council's performance based on the work of Audit Scotland and the findings of other scrutiny bodies such as inspectorates. While the report does not attempt a comprehensive review of all service delivery, it points the way to improvements for the future while recognising the achievements of the Council to date. We acknowledge the co-operation and assistance of elected members and officers of the Council in the audit process.
2. Stirling Council performs strongly against the Best Value and Community Planning criteria and recognises the need for further improvement. The Council has a clear vision for its area, has structured itself to reflect its core values and is positioned to meet the needs of citizens now and in the future. It has four strategic aims which provide the framework for all its activities and demonstrate its ambition.
3. The Commission invites the Council to agree and submit an action plan for improvement by 31 May 2005 which gives priority to the measures outlined in the Controller of Audit's report. Particular issues for the Commission are –
  - The need for elected members to become more actively involved in scrutiny. This would involve the formalisation of the role of the Governance, Resources and Performance Group and a review of the regularity and quality of reports on performance. The frequency of meetings should also be reviewed
  - Striking a balance in the allocation of resources that maintains the best performing services and enables improvements to take place in poorer performing areas.
  - Ensuring that the Council translates its plans into action that leads to sustained service improvement.
4. The Commission recognises that Stirling Council has a record of achievement and is clearly focused on the need for improvement and urges the Council to maintain its impetus towards the achievement of Best Value.



# Overall conclusions

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**Stirling is a highly ambitious council that has made substantial progress since its formation. It performs well against the Best Value and Community Planning criteria and recognises the need for further improvement. While some Council services are performing very well, there is room for improvement in others. The Council has a clear vision for its area, has structured itself to reflect its core values and is positioned to meet the needs of citizens now and in the future. Its vision and values are shared across the political spectrum, based on accessibility, listening to communities, participation and high-quality service delivery.**

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1. The Council has four strategic aims that provide the framework for all its activities and demonstrate its ambition. This is illustrated by its decision to *Go for Growth*, which presents the Council with a series of complex challenges and new opportunities. These include the development of more than 8,000 new homes, the schools Public Private Partnership (PPP) programme, an urban regeneration company, city centre developments, a sports village, housing stock transfer and skills development.
2. The Council is positively focused on change. Structural and cultural changes have been designed to ensure it can deliver its high-level strategic aims and have generated some efficiencies. Reviewing and developing the organisational culture are essential elements of the Council's drive for improvement. It has clear plans for developing its staff, finding better ways of conducting its business and managing its resources.
3. A mature and constructive relationship exists between the Administration and Opposition. The Opposition does not oppose for the sake of opposing and supports many of the Administration's policies. Elected members are clear about their role in policy development and scrutiny and how this differs from the role of officers. They are positive about the support they get from Council staff and have a high regard for them.
4. The Governance Resources and Performance Group (GRPG) has made a good start, but can go even further. While the Council had developed a good handle on Best Value reviews before the last election, enthusiasm for this appears to have faded meaning services are not being subjected to adequate challenge and options appraisal.
5. Public performance reporting arrangements are relatively under-developed. There is scope for the Council to develop balanced reporting, highlighting both good and poor performance and to explore different ways of reaching the public with performance information.



6. The Council has a genuine commitment to quality services and improvement, but it knows it must develop a more systematic approach to performance management where elected members take a more active role.
7. The Council's scale means it can be much more effective by working in partnership with local communities, other public bodies and the private sector. It recognises that local community planning structures are somewhat unwieldy. While Stirling has produced a wide range of local community plans, the Council and its partners face a significant challenge in responding to these.
8. The Council has a clear commitment to local democracy and community leadership that makes it very visible to local citizens. Overall, its approach to community engagement provides a model of good practice for others.
9. There is a long-standing commitment to social inclusion and equal opportunities and the Council can point to clear examples of how this has influenced its priorities and actions.
10. The Council has been at the forefront of sustainability and the leadership is determined to ensure that its strategic priorities reflect this commitment. There are clear signs that major developments are taking account of sustainability from the outset.
11. The evidence available indicates that many of the Council's services are performing very well. Children's Services, youth support, libraries, emergency management, and council tax collection are very good, Joint Future arrangements for community care are well progressed and community learning and development and housing voids management are also good. In other areas, there is scope for improvement. These include refuse collection, roads and grounds maintenance, home care and sports facilities.
12. The success of the best performing services reflects, in part, the levels of investment the Council has made in them. By contrast, lower levels of investment in areas such as the roads network and grounds maintenance have led to poorer performance. The challenge for the Council is to ensure that it tackles poor performance, whilst retaining the success of the best performing services.
13. The Council is aware it needs to make improvements in a number of areas and the final part of the report deals with how it can achieve this.



# Part 1: Does the Council have a clear strategic vision?

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Since its formation, the Council has had a clear vision and core values. Its ambition is illustrated in its decision to “Go for Growth”. Because of the administration’s small majority, it was essential that its vision and values could command support across the political spectrum. Its vision is focused on the communities it serves and its values aim to ensure that the Council is accessible, that it listens to its communities, promotes fair shares for all, encourages communities to participate in decision making, delivers high quality services, values its staff and encourages communication to promote Stirling’s identity and civic pride.

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## Profile of Stirling area, its people and the Council

14. The Stirling Council area lies at the heart of Scotland. It includes urban and rural areas, and is the eighth largest of all Scottish councils geographically. It stretches from the Southern Highlands in the northwest, to Stirling and the former mining villages in the south east. Its population is projected to increase by 12% to over 95,000 in 2016 and the number of households is expected to increase by 20% by 2014. Stirling’s age profile is broadly similar to that for Scotland. Life expectancy is higher than in the rest of Forth Valley and Scotland as a whole.
15. The area enjoys relative economic prosperity and has a relatively affluent population. However, there is a high degree of social and economic polarisation, with the second highest spread of rich and poor of all 413 Councils in the UK. Overall educational attainment levels are generally higher than in Scotland as a whole. Unemployment is relatively low across the Council area but is significantly higher in the more deprived areas.
16. It has an outstanding natural and built environment that includes Scotland’s first National Park. It has relatively low crime rates and active citizens who participate in high numbers at elections. The housing market is currently very buoyant and businesses are growing rapidly, but the area is starting to witness the downside of economic growth with increasing levels of traffic congestion and shortages of affordable housing.
17. The Council operates within the context of four strategic aims set in 1997;
  - Local democracy and community leadership
  - Social inclusion
  - Sustainability
  - Quality and Best Value

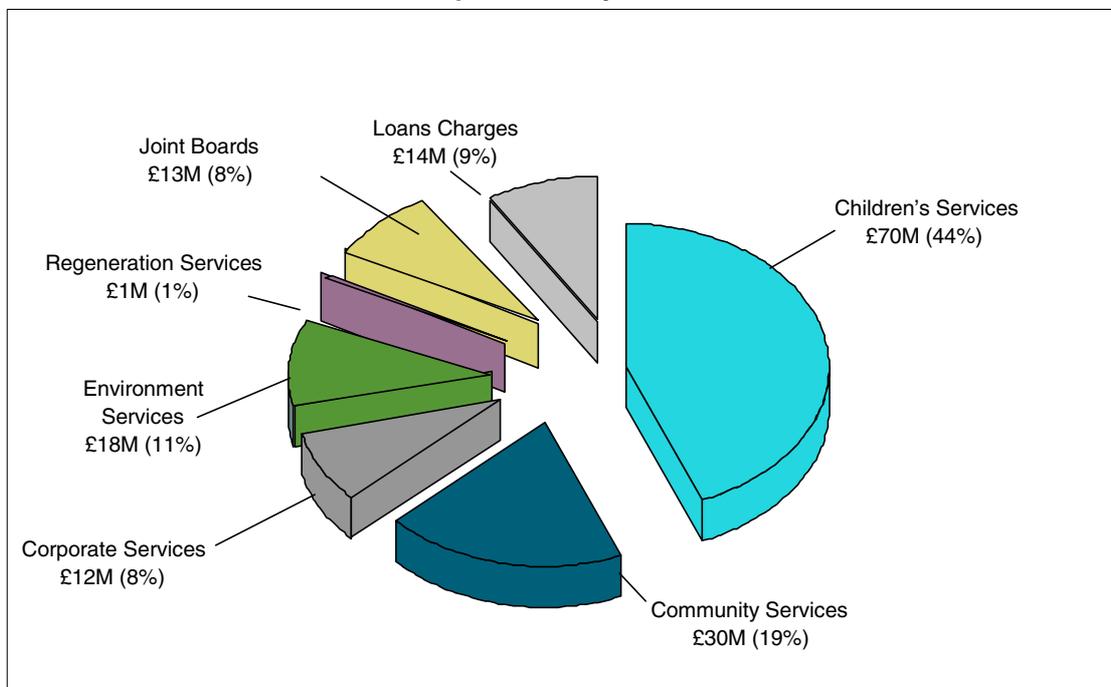


18. The Council has three Policy Committees: Environment, Economy and Community. These are supplemented by a series of member-led panels. The Council operates through five services: Corporate, Children's, Community, Environment and Regeneration Services.
  
19. The Council has twenty-two elected members who represent either the Labour (12) or Conservative (10) parties. Total budgeted gross expenditure for 2004-2005 is £245 million. Budgeted net revenue expenditure for the General Fund Services is £158 million ([Exhibit 1](#)).

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## Exhibit 1

**Distribution of General Fund net expenditure by service area 2004/05**



Source: Stirling Council Revenue Budget 2004/05 Key Facts and Figures

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## Vision and ambition

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The Council's ambition is illustrated in its decision to Go for Growth. A series of large-scale projects are already underway. These are designed to ensure that Stirling can sustain its position as an attractive place to live and work and enable the Council to secure the infrastructure necessary for this to happen.

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20. Stirling is a highly ambitious council. Its strategic vision is set out in the 2003 – 2008 Corporate Plan and its partnership objectives are contained in "Working Together", Stirling's Community Plan.
21. It has chosen to "Go for Growth" in response to the projected population growth in the area between now and 2016. This presents the Council with a series of complex challenges if it is to ensure that the physical, environmental and social infrastructure exists to meet the needs of a larger, ageing population. Work is underway to meet many of the challenges the Council will face over the coming years.
22. The Structure Plan identified a need to provide around 8,000 new homes and a major growth area designed to meet the area's housing needs that incorporates local facilities and protects the quality of the local environment. The Council has brought forward proposals for a new community with 2,500 homes, new schools and other facilities.
23. Schools regeneration is a high priority for the Council. It is planning a substantial schools PPP programme to improve all but one of its high schools, which will be refurbished under the Council's capital programme. The Council has calculated that £3.1m of additional revenue costs will have to be found from other budgets for the schools programme.
24. The establishment of a community learning campus in Raploch has been included in the PPP programme. This will replace several nurseries, primary schools and community facilities. An Urban Regeneration Company (URC) is being established with £15 million from the Scottish Executive as part of this £100 million project. The master plan for Raploch includes a health campus, 750 houses, major infrastructure and environmental improvements.
25. The Forthside development to extend the city centre will include a cinema, hotel and conference centre, offices, a civic space and city centre housing. The project has been highlighted by CoSLA as a good example of sustainability in action. The Council intends to address the poor provision of sports facilities in the city centre by developing the Forthbank Sports Village. This will be aimed at improving sport and leisure facilities and helping Stirling to become a healthier city.



26. The Council has carried out a review of its housing stock. Following options appraisal, it was recommended that the Council should pursue whole stock transfer. The Council approved the recommendation in December 2003 and the stock transfer will be subject to a vote by tenants which is likely to take place in 2006.
27. Stirling was the first council to join the Scottish Executive's Community Ownership housing programme. This gives the Council access to £15 million to kick start the regeneration of Culterhove and Cornton.
28. Large-scale growth brings a series of opportunities. Physical developments will create job opportunities and the Council wants to ensure that local people are equipped to compete for these by working with local training providers and encouraging developers to use local labour. The URC is aiming for local labour agreements in potential contracts to ensure local people can secure long term jobs.

## The Corporate Plan

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**Following a process of restructuring its management arrangements, the Council recognised that re-determining and funding its priorities was the single most important policy decision it had to make. This is reflected in its new Corporate Plan.**

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29. The Corporate Plan is based on the Council's strategic aims and sets out what it wants to achieve within a five-year timescale ([Exhibit 2](#)). It sets out the Council's priorities for Community Planning, communities, the economy, the environment and development of the organisation. The Plan is set within the context of the administration's manifesto and provides the Council's strategic direction until 2008.
30. Following the election in 2003, the Council wanted to adopt policy-led budgeting. By late 2004, it still had to make decisions about how to fund the priorities set out in the draft Corporate Plan. The Council acknowledges this. After the election, members' priority was to put in place new management structures to deliver its strategic aims. Having done this, members are now addressing the issue of identifying resources to deliver the Corporate Plan.



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## Exhibit 2

### Corporate Plan: Top 5 Objectives

<b>Schools fit for the 21<sup>st</sup> Century (PPP)</b>	Refurbishment, modernisation and extension of five high schools Establishment of Raploch community learning campus
<b>Roads Maintenance</b>	Bringing the condition of the local roads network up to the Scottish average
<b>City Transport Strategy</b>	Investing in Park and Ride, new and improved roads and a safe environment
<b>Sports Village</b>	Development of a Sport, Leisure and Physical Activity Trust to operate leisure facilities and the planned Sports Village
<b>Community Ownership of Housing</b>	A comprehensive regeneration programme to target external funding sources and the Community Ownership Programme funding

*Source: Stirling Council Corporate Plan – 2003 – 2008*

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## The Community Plan

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Stirling Community Planning Partnership has been working towards priorities identified in its Community Plan since 1999. The Plan identifies seven main themes that are taken forward by five functional groups. The challenge for the Council and the partnership is to ensure that these high level aims can be described as clear and specific actions against which performance can be systematically demonstrated.

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31. The Council established the Stirling Community Planning Partnership in 1998 as one of the Pathfinder pilots, producing its first five-year Community Plan “Working Together” in 1999. The Community Planning partners are listed in [Exhibit 3](#). Partners, who are undertaking a long-term visioning exercise covering the next 15 to 20 years, are currently reviewing the Community Plan.
32. The Community Plan describes the overall aim of the Stirling Community Planning Partnership: to achieve a good quality of life for its communities. This aim is underpinned by three main principles of social inclusion, sustainability and quality services. These are translated into seven main themes: quality services; local democracy and accountability; social inclusion; prosperity, jobs and opportunity; sustainable development and environment; community safety; and caring communities. Stirling’s community planning arrangements reflect the local context and are consistent with the Council’s corporate aims.



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## Exhibit 3

### **Stirling Community Planning Partners**

- **Stirling Council**
- **Argyll, the Isles, Loch Lomond and the Trossachs Tourist Board**
- **Central Scotland Police**
- **NHS Forth Valley**
- **Scottish Enterprise Forth Valley**
- **Communities Scotland**
- **Scottish Natural Heritage**
- **Stirling Assembly**
- **Central Scotland Fire Brigade**
- **Clackmannanshire College of Further Education**
- **CVS Stirling**

*Source: Stirling Council website*

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33. The Community Planning Partnership has encouraged local communities to produce local community plans. 33 local plans have now been produced, and the challenge for the Partnership is to realise the ambitions these contain.



# Part 2: Is the Council organised to deliver better services?

## Using resources effectively

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Stirling Council has done a significant amount of work to ensure it can deliver change and use its resources more effectively. A series of structural changes has ensured the Council has kept its focus on its strategic aims and its commitment to delivery. The Council recognises that making these changes is a long-term process that requires continual review.

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## Service structures

34. The Council is positively focused on change. It has broken with the traditional model of committees linked to service directorates, focusing its structures around the needs of its citizens instead. The Council believes this leads to greater corporate budget discipline and helps to integrate the Council's vision and values into services.
35. From the outset, the Council has put a great deal of thought into the type of structure it wants to deliver its vision and values and we consider this illustrates its openness and commitment to corporate working. It has continuously reviewed its structures to ensure that they are fit to deliver its strategic aims.
36. Restructuring has not been primarily cost-driven, but has aimed to deliver services that meet the needs of communities. In 1999, the Council created the UK's first integrated Children's Service, and Community Services brought together community care and criminal justice social work with other quality of life services including libraries and culture, sport and leisure and community support.
37. Corporate Services was established following a review in 2002. This brought together three services with a focus on community planning and partnership, customer focus and organisational development and resource management. As part of this process, the Council set a savings target of £500,000 over three years. It is well on course to meet this.
38. More recently, the Council brought together Environmental and Technical Services. This manages all built and natural environment services. Regeneration Services took responsibility for Housing and Building Services. These changes form part of the Council's plans for housing stock transfer.



Economic development services will be delivered through joint arrangements in future, and urban regeneration will become the responsibility of the URC. These changes are scheduled to take place between now and 2007.

## Service Plans & Budgets

39. The Council has made good progress with the development of its Service Plans and has ensured that these are consistent with corporate priorities. Each of the five Council services contains a broad range of service areas and most are underpinned by service plans. Service plans set out the strategic direction, priorities and spending proposals. Overall, Council services are to be commended for developing Service Plans in advance of the Council's approval of its new Corporate Plan.
40. The Council can go even further in three important areas of service planning. First, it should ensure all Service Plans set out measurable and realistic targets and performance monitoring arrangements. There are already some good examples in the Council. Second, the timescales covered by Service Plans vary considerably. The Council needs to synchronise the timescales for all Service Plans with the new Corporate Plan. This will enable elected members to scrutinise and monitor the contribution each Service makes to the corporate objectives and to judge the impact of their new spending priorities.
41. Third, the Council operates within a three-year budget cycle. The Council acknowledges that improvements need to be made to link service planning processes with the budget, and the move towards policy-led budgeting should provide the transparency needed to demonstrate how the Council is matching financial resources to its priorities.

## Developing the organisation

42. The establishment of Corporate Services in 2002 led to the creation of an Organisational Development and Improvement (OD&I) division. This has a specific remit to help Council services to improve what they do.
43. With such a geographically dispersed community, the Council needs to fully exploit the benefits of Information and Communications Technology (ICT). It has established a Modernisation Programme Board to implement the Access Stirling Strategy and has attracted Modernising Government Funding (MGF) to build on progress already made. Developments include the creation of the Council's Contact Centre, piloting an electronic document records management system and moving towards online transactions. The external auditor's e-governance review found that significant progress has been made in modernising the way the Council delivers services.



44. The Council sees the continual development of its organisational culture as key to achieving its planned improvements. Work is already underway to improve the organisational culture. This includes:

- Code of Conduct – in 1998, the Council developed a behavioural code for all staff and elected members that sets out expected standards of behaviour and individuals' rights and responsibilities
- Leadership Development Programme – training for senior managers in leadership style, emotional intelligence and conflict management was initiated in 2001. A second phase addressed partnership working and strategic change and included participants from the community planning partnership. A third phase develops leadership behaviours for all managers
- Organisational Culture Team – set up within the new Corporate Services to address organisational and employee development
- Employee Surveys – to assess employee attitudes and awareness of key issues were started in 1998 and are carried out every two years
- Customer Care Code – “Respect” was developed by staff and residents in 2001 as part of Access Stirling.

## Managing people

45. The management of human resources (HR) at Stirling is improving. The Council has recognised the need to have an updated Human Resources & Organisational Development Strategy to support the aims and objectives of the Corporate Plan. An Organisational Change Policy that formalises how the Council manages people during organisational changes, particularly in relation to redundancy and redeployment, has been adopted.

46. The Council has not yet adopted a performance appraisal system for the Chief Executive and Directors. One-to-one meetings are undertaken within services to identify the training needs of staff, although this was only in place for around half of Council staff at the time of the audit. To be effective, this needs to be used consistently and rolled out across all staff in all services. The Corporate Plan indicates that all staff should have one-to-one meetings by 2008. Work is underway in the Council to agree a format for performance appraisal that will meet the aims of the Corporate Plan. Targets are to be monitored by the Council Management Team and the system will include performance appraisal for the Chief Executive and Directors.

47. Following the introduction of a range of measures to tackle absence levels, the Council has reduced levels of absence from a peak of 5.4% in 2002/03 (when the national level was 5.3%), to an average of 5.0% during 2003/04, when the national level was 5.2%.



## Managing money and assets

48. The Council is very good at managing money. It operates a scheme of devolved budget management within a three-year budgeting framework. This means that services have the flexibility to manage their own budgets, but have strong central support. Every service has managed within budget for the last two years.
49. The Council is also getting better at taking a corporate approach to managing its assets. A Corporate Procurement Unit allows the Council to take a co-ordinated and controlled approach to procurement, following the principles of Best Value. The introduction of purchasing cards, online ordering and collaborative purchasing arrangements have helped to deliver cost savings. The Council now needs to work on developing a sustainable procurement strategy that addresses the tension between external regulation and its wish to support local businesses.
50. A Corporate Asset Management Team has recently been established to improve asset management planning. An early success has been the completion of the Schools Estate Management Plan. This ensures that a strategic approach is taken to managing schools, using population-forecasting tools. The review of office accommodation is using option appraisal to identify the most suitable sustainable accommodation for the future. Further work must be done to ensure that the wider asset portfolio meets the corporate objective of sustainability.
51. The Local Government in Scotland Act 2003 repealed the requirement to prepare Direct Labour Organisation and Direct Service Organisation (DLO/DSO) accounts under Compulsory Competitive Tendering (CCT) legislation. Councils are required to maintain and disclose trading accounts for Significant Trading Organisations (STOs) from 2003/04. The Council has identified seven STOs. Only refuse collection failed to break-even in 2003/04. Surpluses generated by STOs have offset some of the Council's costs for other frontline services.



## Is there effective scrutiny by elected members?

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There is a mature and constructive relationship between the Administration and Opposition. The Opposition does not simply oppose for the sake of opposing and supports many of the Administration's policies. Progress has been made by members' Scrutiny Panels, but the Council must assure itself that proposals for scrutiny are guided by assessment of performance and corporate priorities. It may wish to consider whether the current Committee cycle is adequate for regular members' scrutiny.

The Council has worked hard to support elected members to carry out their functions. Overall, elected members are very positive about the support they get from Council staff and have a high regard for them. They are clear about their role in policy development and scrutiny and how this differs from the role of officers.

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52. The Opposition sees its primary role as scrutinising the Administration and holding it to account for its actions. The Administration has considered the forthcoming changes to the local government electoral system and believes its current approach will pave the way for new styles of working beyond the next election.
53. The close political margins in the Council have led to the current high levels of co-operation between the two parties. The Administration is clear that this type of co-operation is essential to the Council if it is to deliver its vision and values.
54. While Committees approve the selection of service areas to be considered by members' scrutiny panels, an informal agreement means the Opposition selects the topics. In future, selection of topics should also be guided by corporate assessment of performance and priorities.
55. The full Council meets four times a year, with two additional meetings to set the budget and enable members to catch up after the recess. The three policy Committees also meet on a quarterly cycle. Prior to the last election, the Council operated five Committees, each meeting five times a year. Opportunities for members to consider reports have more than halved since the last election and there are considerable gaps between meetings. The Council may wish to consider whether the current arrangements give members scope to exercise their scrutiny functions with enough regularity.
56. Members of the Administration and the Opposition have access to the same support, advice, information and resources. Induction training is provided to new members, along with a members' handbook that is well thought of. All members have access to Council staff for advice, and service



directors provide pre-committee briefings for Administration and Opposition members on an equal basis.

57. Seminars are organised to brief and inform members on especially important or complex policy areas in advance of committee discussions to ensure that decision-making processes are well informed. Recent seminars have focused on Community Care, Homelessness, the Major Growth Area, Forthside development, the Best Value Improvement Plan and the schools PPP.

## Governance, Resources and Performance Group (GPRG) & risk management

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The GRPG has made a positive start, but has yet to establish itself firmly in its role. There is still scope for it to assume the role of an audit committee and corporate leadership of scrutiny and risk management. The new Corporate Plan provides the Council with fresh impetus to make these changes. While the Council had developed a good handle on Best Value reviews before the last election, this was not followed through after members' focus shifted towards ensuring the Council had the right political structures. There are however, indications that members now have a greater enthusiasm for scrutiny, and the GRPG should take the opportunity to co-ordinate this across the Council.

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58. The GRPG was set up to co-ordinate governance, resources and performance management across the Council, and fulfils some of the functions of the previous Resources Committee. These included audit and scrutiny, financial management and human resources. The GRPG is a fairly new body and has yet to establish itself firmly in this role. It is not part of the Council's formal committee structure. The Council believes there are relative merits in conducting some of its scrutiny functions in public, but that in certain areas a more rounded debate can only be achieved in private.
59. The Council recognises the need to better define the GRPG's role as a high-level corporate scrutiny body. It has proposed that the GRPG should recommend between one and three areas requiring scrutiny for consideration and selection by each Policy Committee. The GRPG should ensure that the reviews proposed are significant and that opportunities to work with wider stakeholders and partners to challenge policies and service delivery are maximised. There is scope for the GRPG to assume the role of an audit committee. This change would help it to fulfil its corporate role in co-ordinating scrutiny and performance across the Council.
60. The Council had developed a good handle on scrutiny before the last election, but this faltered while the new administration focused on changing Council structures to match their priorities. The GRPG has started only one scrutiny review since taking on responsibility for this function. Initial enthusiasm



for best value reviews appeared to fade after the first three years of the programme. This means that services are not being subjected to the challenge and option appraisal necessary to achieve best value.

61. Risk management arrangements need further development. An Operational Risk Register covering risks in all Council services has been compiled, but the Strategic Risk Register has not yet been finalised. A more formal approach to risk management would allow risk areas such as disruption to critical IT systems to be mitigated through recovery plans.

## Community Planning

62. The Council has made significant progress in developing and leading an inclusive Community Planning Partnership, with a very strong basis in community engagement and local community planning. The Partnership has worked closely with local communities who have developed 33 local community plans. The Council recognises the complexity of its local community planning structures and the significant challenge it faces in responding to this number of local community plans.
63. Stirling and its partner councils have been at the forefront of developing community planning across the Forth Valley. This is at an early stage, but the Council has embraced the complexities of partnership working at community, Council-wide and regional levels. It is vital that the linkages between local and strategic community planning are made to ensure that communities can have real influence. The Council recognises this and has plans to integrate local community plans into the strategic planning process through new area planning forums.
64. The Partnership recognises that more needs to be done to allow the impact of community planning to be systematically demonstrated. Performance monitoring and reporting are at a very early stage and there is no clear framework for evaluation by the Partnership, Council officers or elected members. As a result of this, there is no formal public reporting of performance against the Community Plan. The Partnership is aware of this and recognises the importance of developing specific and targeted action plans for measuring the impact of its activities.

## Joint working

65. The Council has been committed to joint working since the outset. It recognises that its scale means it can be much more effective by working in partnership with local communities, other public bodies and the private sector.
66. Substantial progress in partnership working has been made at both corporate and service levels, over and above the community planning agenda. For example, Community Services are leading the Council's implementation of the Joint Future agenda in partnership with NHS Forth Valley. The



Scottish Executive's Joint Future Unit found that arrangements to implement Joint Future locally are well progressed. The Area Waste Management Plan is being put into action in partnership with Clackmannanshire and Falkirk Councils, and the Stirling Partnership for Urban Regeneration (SPUR) will be continued through the Raploch URC and other initiatives in Cornton and Cultenhove.

## Public performance reporting

67. The Council's public performance reporting arrangements are relatively under-developed, and need to be co-ordinated better. An Annual Performance Report is the main mechanism for reporting council-wide performance, but it focuses on providing information about the services the Council provides and how to access them. It contains little information on how well the Council is performing, both corporately and at service level.
68. The Annual Performance Report needs to show how the Corporate Plan is being implemented and demonstrate the Council's overall performance. The Council should demonstrate performance against targets, showing tangible outcomes for service users. It should provide a balanced view, including good performance and areas for improvement. There is also a need to explore different reporting mechanisms to reach people who are unlikely to read reports. The Council acknowledges that its public performance reporting needs to be developed further and this is reflected in its improvement plan. An updated Public Performance Reporting Framework is being developed.

## Managing performance

69. The Council has yet to put in place a fully developed performance management system that will enable it to assess its overall impact, but it is committed to quality services and to improvement in its activities. It is essential that the Council now implements a comprehensive system designed to measure the impact of the new Corporate Plan and the contribution of individual services to it.
70. For the Council to deliver Best Value, a systematic approach to reviewing and improving all areas of activity is required. This is not currently in place at the corporate level and is not done consistently across services. At the highest level, information on performance against the key corporate objectives contained in the Corporate Plan needs to be available. The Council agrees that this is an early priority. The audit of Best Value prompted the Council to prepare a Council-wide self-assessment that resulted in the production of an improvement plan. This provides a firm foundation for moving forward.
71. Individual services have developed their own performance management systems. There is no single system across the board, which means that it is very difficult to get an overview of performance within a service or policy committee area. The Council has piloted the European Foundation for Quality Management (EFQM) approach in some areas, but there are no clear plans or timescales



for rolling this out across all services. Approval of the new Corporate Plan and the Council's improvement plan should provide the spur for this.

72. Elected members need to take a more active part in holding Council services to account for their performance. To date, members have had a relatively passive role. The Council needs to develop more robust accountability processes that apply equally across Council services. Otherwise there is a risk that some poorly performing services could be left to drift for some time before Committees challenge them.
73. Members have demonstrated their capacity to challenge constructively when poor performance is brought to their attention. They have been closely involved in trying to improve the refuse collection service and have kept a close eye on progress through a daily members' bulletin.
74. The main performance report for the Council Management Team, Committees and the GRPG is the twice-yearly "*Traffic Light Report*". It is a well-presented, member-friendly report and provides a commentary on the Accounts Commission Statutory Performance Indicators, explaining the circumstances and adding information about costs and results from the 2002 Residents' Survey. Members appear to be comfortable that this gives them enough information about the Council's services, but they also need information on how well the Council is meeting local priorities and targets.
75. It is essential that the Corporate Management Team and elected members now determine the high level information that they need to manage and scrutinise the Council's activities. They also need to consider whether the traffic light report allows adequate performance scrutiny.



# Part 3: How is the Council performing?

## How well is the Council meeting its strategic aims?

### Local democracy and community leadership

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Stirling Council demonstrates a strong commitment to community engagement that can be traced back to its core values. Its approach makes it very visible to local citizens and it has seized both the opportunities and the challenges this poses in a positive way. The Council's approach to community engagement provides a model of good practice for others.

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76. Local democracy and community leadership have remained among the Council's four high-level strategic aims from the outset. The Community Governance Strategy sets out how the Council will enable local people to participate in decision-making and provide a voice for communities on issues affecting the Council area.
77. Community engagement is a central feature of all Council services. The Chief Executive, Directors and Heads of Service are actively involved in the Community Planning Partnership and have presented annual budget options to community organisations. The Council works with 40 community councils and a total of 190 community organisations representing a broad range of interests. It provides direct support to community organisations through a wide range of professional staff and funding for local projects and services.
78. The Council targets its resources towards the most marginalised communities, recognising that additional support is required to build their capacity to engage in democratic processes. It acknowledges that it may need to manage the pace of development to accommodate its commitment to community engagement. Its approach has the potential to raise expectations amongst communities, and managing competing demands and the potential conflicts this will generate is an inevitable consequence of its approach. This point is well understood across the Council Management Team and is recognised as a sign of success. We consider that Stirling's approach to community engagement is progressive and, while this can present additional challenges, we commend the Council's efforts to be open and transparent.
79. The Contact Centre provides a good illustration of the Council's response to the views and opinions of citizens. This is described in [Case Study 1](#).



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## Case Study 1

### Contact Centre

The Council has established a range of mechanisms for public engagement in decision-making. Among these have been the Stirling Assembly, the Stirling Residents' Surveys and the Stirling Sounding Board. Through these, the Council has access to citizens' views about service delivery.

One constant theme that emerged through these processes was the wish for a single point of contact for information about Council services. In the last Residents' Survey, 62% used the telephone when contacting the Council. The two highest responses to a question about making contact with the Council easier were publicising direct telephone numbers for services and extending telephone contact hours.

The Council's response to this has been the "Access Stirling" project. Working with its Community Planning Partners, Thus plc and Strathclyde University Graduate Business School, a vision for telephone, face-to-face and web-enabled communications was developed. Successful bids to MGF 1 and 2 have helped to fund early implementation of the vision. The Council's Contact Centre opened in September 2002 after just over a year in planning, design and construction and it is now handling some 350,000 calls annually.

The Contact Centre has deliberately maintained direct person-to-person calling rather than touch buttons or automated responses. It provides enhanced switchboard facilities for customers wishing to speak with named contacts or services and provides 24-hour telephone contact for all enquiries, including the Mobile Emergency Care Service for vulnerable adults. Service processes have been redesigned from a customer perspective to achieve resolution at first point of contact wherever possible.

The Contact Centre's Advisors have been trained to deal with a wide range of issues and regular liaison with Services is built into the management process. Customers can alert the Council to issues such as traffic light failure anonymously if they wish, but the online "customer account" system means that advisors have customer details in front of them and don't need to ask for repeat information to deal with the enquiry. The Council's revamped website was launched soon after the contact Centre was opened. Citizens can now log faults on-line as well as phoning the Contact Centre. Work is in hand to set up a new City Centre One Stop Shop to improve face-to-face customer service.

Much remains to be done, for example broadening out the Contact Centre, Website and One Stop Shop to include other public services. Nonetheless, the Contact Centre provides a very good example of the Council responding positively and strategically to public opinion.



## Social Inclusion

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The Council has an established commitment to social inclusion and can point to clear examples of how this has influenced its priorities and actions. This includes a commitment to equality of opportunity for all. The Council is now developing a corporate approach through the Diversity Working Group and an Equalities Policy Framework. This is at an early stage of development, but there are some indications of success.

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80. Social inclusion has been one of the Council's strategic commitments since 1996. This has had an important influence on the way that it delivers services and there are many examples across the Council to illustrate this. Case Study 2 describes the Council's approach to Children's Community Partnerships, one of its main contributors to social inclusion. Other examples include community regeneration in Raploch, Cultenhove and Cornton, and the transfer of some economic development staff into Community Services to improve employment opportunities for the unemployed, young people and people with disabilities.
81. Another crucial element of the Council's broad social inclusion agenda is equal opportunities. It adopted an Equal Opportunities Statement of Intent in 1996 that was subsequently included in the Council's Social Inclusion Charter. Responsibility for implementing equal opportunities is devolved to services, but there is limited corporate co-ordination or monitoring.
82. The Council has begun to build on the race element of its equalities work and recognises that it now needs to co-ordinate its efforts corporately. The Diversity Working Group has developed a policy framework that is accompanied by an Equalities Action Plan. There are some indications of success, and monitoring the Action Plan will let the Council see the impact it is having across the board.
83. The Diversity Working Group has developed an on-line Diversity Awareness Training package that all employees will be required to complete. The Council monitors the ethnic origin of its staff, through a voluntary survey of existing staff and a recruitment questionnaire. However this information is based on a low completion rate and the Council recognises the need to encourage a better response. When the Council buys-in services from external providers, an equal opportunities requirement is included in contracts. The Council also intends to review annually its contracted providers' equal opportunities policies.



84. Stirling is among the best performing Scottish councils in relation to the number of women employees in senior grades. Over a third of senior posts are occupied by women ([Exhibit 4](#)).

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#### Exhibit 4

**The percentage of the highest paid 2% and 5% of earners among Council employees that are women (excluding teachers).**

<b>2003/2004</b>	<b>Stirling</b>	<b>Scotland</b>
Highest paid 2% of council employees	39.4	28.3
Highest paid 5% of council employees	46.2	35.8

*Source: Statutory Performance Indicators 2003/04*

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## Case Study 2

### Children's Community Partnerships (CCPs)

The New Community Schools Initiative was launched in 1998 with the remit to improve attainment, attendance and learning in schools and to improve the social and physical welfare of the community by integrating health services, community services, youth groups, social workers and the local police.

Stirling Council embraced this initiative under the title *Children's Community Partnerships*, realising that it would help to take forward its strategic aim of Social Inclusion and support the implementation of an integrated Children's Service. The strategic plan for community schools has four broad outcomes:

- Improved achievement
- Improved health
- Social inclusion
- Improved integrated working to support children, families and communities

Continuous improvement priorities are identified in local CCP action plans. The University of Stirling has evaluated the initiative independently. The most important facet of the approach has been the success of staff capacity building, focused on the needs of children and families. Delivering services for children through multi-agency groups has resulted in:

- A positive impact on the number of exclusions
- Year on year improvements in attainment in some areas
- Increased staff participation in development events
- Generation of ideas from the community

Children's Services is now taking action to strengthen CCPs through greater involvement of parents and local business partners.



## Sustainability

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One of the Council's four strategic aims is sustainability and it has demonstrated a high level of commitment to this for some time. From the leadership down, the Council is determined to ensure that its strategic priorities are underpinned by a commitment to sustainable development. The Council's focus to date has largely been on environmental aspects of sustainability, but recent decisions demonstrate a broader commitment.

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85. Although the Council has embedded sustainable development within its plans, its focus to date has been largely on environmental issues and there are good local examples of sustainable development. The Structure Plan, approved in 2002, is based on a Sustainable Development strategy.
86. Stirling has approached waste recycling in partnership with Clackmannanshire and Falkirk Councils. This has resulted in substantial government funding for the area. A good example of the Council's approach to sustainability is the kerbside recycling and garden waste collection scheme. This is described in [Case Study 3](#).
87. There are encouraging signs that the sustainability agenda is spreading to other service areas, and among local communities. For example, the Council has demonstrated its commitment to the social and economic aspects of sustainability in decisions about the Major Growth Area and the Forthside development. It recognises too, that its sustainability strategy must include more ambitious targets and performance indicators. The Environment Committee has agreed to review existing sustainable development policies in March 2005.



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## Case Study 3

### Rollout of Kerbside Recycling and Garden Waste Collection

One of the Council's objectives is to reduce landfill and increase recycling in line with national priorities and the Area Waste Strategy. Following a successful pilot in 2001-2002, the Council agreed to extend the kerbside recycling scheme to the area's remaining 35,000 households, beginning in May 2003.

Each house is provided with a blue box for weekly uplift of paper, glass, cans, textiles and plastic. Materials are sorted at the kerb into recycling vehicles by Council staff.

A large-scale composting facility has been established at the old Lower Polmaise landfill site that closed in August 2004. This composts green waste and cardboard collected with the brown bins and is aiming to achieve the BSI PAS 100 standard.

All of the Council's 38,000 residences will have both the blue box and brown bin by the end of 2004. Use of these containers has transformed the traditional culture of waste collection and disposal.

The kerbside recycling and garden waste scheme has quickly realised many benefits. These include reduced waste, lower costs in landfill tax charges, lower waste disposal charges and lower costs for topsoil which otherwise would have to be purchased to restore the old Polmaise landfill site.

The monthly household kerbside recycling rate has increased from 4.4% in May 2003 to 30.8% in June 2004. This trend puts the Council on track to reach a 45.4% monthly household kerbside rate when the new system is fully rolled out to all households.

The Scottish Executive target of 25% of all waste collected by the Council being recycled or composted by 2006 provided an initial target for the Council.



## How well are Council services doing?

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Many of the Council's services are performing very well but, in some areas, there is scope for improvement. The Council's self-assessment "*The Story of Stirling Council*" demonstrates it has a high level of awareness of its strengths and weaknesses. The success of the best performing services reflects in part the levels of investment the Council has made in them. By contrast, lower levels of investment in areas such as the roads network have led to poorer performance. The challenge for the Council is to ensure that resources are applied where they are needed most, whilst retaining the success of the best performing services.

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88. We have already noted that the Council has yet to put in place a comprehensive performance management system and that Public Performance Reporting is under-developed. In considering how well Council services are performing, we have drawn on a range of other sources, including Statutory Performance Indicators, the last published Residents' Survey and reports published by other external scrutiny bodies.
89. We also drew on the Council's self-assessment, "*The Story of Stirling Council*". The self-assessment was based on the EFQM model and gave a detailed analysis of the Council's performance from its own perspective. It was accompanied by a detailed improvement plan. The self-assessment indicates the Council has a high level of self-awareness of its main strengths and weaknesses. The audit confirmed many aspects of the self-assessment, and Part 4 of the report sets out the high-level actions that we consider will enable the Council to deliver its programme of improvements.
90. The Council's self-assessment was accompanied by a detailed improvement plan. We have agreed with the Council that, while its improvement plan is comprehensive, it needs to be realistic and should be more tightly focused with specific targets and timescales. The plan contains a large number of improvement areas that the Council needs to prioritise to reflect its capacity to deliver.

## Statutory Performance Indicators: 2003/04

91. Audit Scotland publishes council profiles containing sixty five performance measures. Stirling Council's performance improved by at least 5% on 24 measures between 2001/02 and 2003/04, and declined by 5% or more on 10 measures. The Council was ranked in the upper quarter of all Scottish councils on 23 measures and in the lowest quarter on 10 measures.



The Council ranks highly on a wide range of measures:

- **Education** – the ratio of pupils to available places is between 61% and 100% in all secondary schools (6 other councils meet this target)
- **Protective services** – 100% of noise complaints settled on first contact were dealt with on day of receipt. (8 other councils meet this target)
- **Benefits Administration** – the average time taken to process new claims is 21 days compared to a Scottish average of 47 days. The Council ranks 3<sup>rd</sup> out of 32 Scottish councils on this indicator.
- **Benefits Administration** – the average time taken to process notifications of changes of circumstances is five days, compared to a Scottish average of 12 days. The Council ranks 4<sup>th</sup> on this indicator.
- **Corporate issues** – 39.4% of the highest paid 2% of earners among council employees are female, compared to a Scottish average of 28.3%. The Council ranks 2<sup>nd</sup> on this indicator.
- **Corporate issues** – 46.2% of the highest paid 5% of earners among council employees are female, compared to a Scottish average of 35.8%. The Council ranks 2<sup>nd</sup> on this indicator.
- **Finance** – 96.4% of council tax income for the year was collected in that year, compared to an average of 91.7% for comparator councils. The Council ranks 2<sup>nd</sup> on this indicator (first among mainland councils).
- **Libraries** – the average time taken to satisfy library book requests is 11 days, compared to a Scottish average of 18 days. The Council ranks 2<sup>nd</sup> on this indicator.
- **Libraries** – 29.9% of the resident population are borrowers, compared to 24.3% for Scotland as a whole. The Council ranks 3<sup>rd</sup> on this indicator.
- **Libraries** – the average number of issues per borrower is 32.1 The Council ranks 3<sup>rd</sup> on this indicator.
- **Adult Social Work** – 7.4% of people subject to a probation order were reported to the court for breach of probation during the year compared to a Scottish average of 18.3%. The Council ranks 2<sup>nd</sup> on this indicator.
- **Housing** – 1.6% of cases were reassessed as homeless or potentially homeless within 12 months of previous case being completed, compared to a Scottish average of 16.3%. The Council ranks 4<sup>th</sup> on this indicator.

92. Of the 10 indicators where the Council was ranked 25<sup>th</sup> or below, four relate to social work, two to sports and leisure facilities and four relate to other services. These are:

- The number of **home care clients** aged 65+ receiving care in evenings/overnight as a percentage of clients was 15.9%. The Council ranked 25<sup>th</sup> on this indicator.
- **Home care** – the total hours as a rate per 1,000 population aged 65+ was 350.4. The Council ranked 26<sup>th</sup> on this indicator.
- **Staff qualifications** – 21% of staff in residential homes for other adults are qualified. The Council ranks 26<sup>th</sup> on this indicator.
- **Social enquiry reports** – the proportion of reports requested by the courts that were allocated to social work staff within 2 working days of receipt by the social work department was 64.9%. The Council ranks 29<sup>th</sup> on this indicator.
- **Swimming pools** – there were 2495 attendances per 1,000 population. The Council ranks 29<sup>th</sup> on this indicator.



- **Indoor facilities** – there were 96 attendances per 1,000 population. The Council ranks 30<sup>th</sup> on this indicator.
- There were 44.6 **litigation claims** per 10,000 population. The Council ranks 27<sup>th</sup> on this indicator.
- **Business advice requests** – 90.2% requests were dealt with within 14 days of receipt. The Council ranks 30<sup>th</sup> on this indicator.
- **Road carriageway condition** – 59.1% of the network should be considered for maintenance treatment. The Council ranks 31<sup>st</sup> on this indicator.
- **Refuse collection** – the gross cost per property of refuse collection was £62.57. The Council ranked 27<sup>th</sup> for this.

## Corporate Services

93. We selected the Council services with most public contact for more detailed consideration. We considered earlier the role played by Corporate Services at the heart of the Council and, for these reasons, we have not reported in detail on its performance here. Its responsibilities include strategy, governance, performance improvement, efficiency and customer focus. These represent the core of the Council's strategic agenda. Available evidence indicates that Corporate Services in its new form is having a positive impact across all of these areas. We recognise too that, where it does provide customer-facing services, it is doing very well. For example, the 2003/04 Statutory Performance Indicators show that Stirling's Council Tax collection levels are the highest in mainland Scotland, and we have already discussed the level of savings the Council is achieving from the new Corporate Services structure.

## Community Services

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Community Services plays a key role in the Council's Community Planning processes and its drive for local democracy and community leadership. It operates within a complex environment of community needs and national policy. It has well developed partnership working and has made good progress on the Joint Future agenda. Some of its services, such as Libraries and Community Learning and Development, are performing very well. In others, such as the level of home care and the provision of sports facilities, there is scope for improvement.

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94. Community Services brings together a broad range of Council services under the "Quality of Life" brand. It plays a key role in the Council's Community Planning processes and in supporting local democracy and community leadership.

95. The Service has a well-articulated Service Plan and recognises the need to build the views of communities into its service planning processes. It has a clear commitment to partnership and to



influencing the work of others to be more responsive to the needs of communities. Its Joint Future partnership has been assessed as well progressed by the Scottish Executive.

96. The Service recognises the need to improve and develop its performance management processes. It has developed its own systems around the Balanced Scorecard and uses national frameworks to measure certain service areas.
97. The Council is committed to developing a balanced, mixed economy of care through a combination of directly provided and purchased residential, community and home care services in the area. This approach has enabled the Council to increase the level of home care over the last two years where the number of hours for people aged over 65 rose by 16.6%. While this is an encouraging sign, the overall level of Home Care in the area is low in comparison to the national average, and this is an area the Council should review. Statutory Performance Indicators for 2003/04 show that the level of home care as a rate per 1,000 of the 65+ population was 350.4 hours, well below the Scottish average for the same period of 512.2 hours.
98. Recent inspections by HM Inspectorate of Education (HMIE) have confirmed that Community Learning & Development services in rural areas are very good. Criminal Justice Services show a significant improvement in performance over the past year.
99. The Libraries service is very good. Statutory Performance Indicators show a high percentage of the population regularly borrows books, the average number of issues per borrower is high and the time taken to satisfy book requests is low. The last residents' survey indicated that the satisfaction level among users was 87%.
100. Lifelong learning centres are located in the Council's libraries and provide a range of networked electronic services. Statutory performance indicators show a significant growth in their use over the last two years ([Exhibit 5](#)).

## Exhibit 5

Lifelong Learning Centres	2002/03		2003/04	
	Stirling	Scotland	Stirling	Scotland
The number of users as a percentage of the resident population	4.8	4.6	9.4	7.2
The number of times the terminals are used per 1,000 population	333.4	359.2	599.5	593.2

Source : Statutory Performance Indicators 2003/2004



101. Sports development is good, but sport and leisure facilities are poor. The service is working to improve and increase local facilities by developing community usage in schools and taking advantage of opportunities through the planned Schools PPP programme. The Council is also addressing the lack of facilities by building a sports village. It wants to ensure that new facilities remain accessible to the most excluded citizens and is therefore pursuing a model that is financially viable, but affordable for all users.

## Children's Services

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Children's Services are very good. The recent HMIE report found that educational services were of a very high standard. Inspections have highlighted achievement, but also areas for improvement in children's social work. In recent years, the Council has invested heavily in the service. As part of its corporate planning processes, the Council needs to consider whether the same level of investment can be sustained in the future and, if not, how current success can be maintained.

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102. Stirling was the first Council in the UK to establish an integrated Children's Service, combining Education and Social Work services for young people. This is the largest service in the Council. In 2002/03, expenditure on Education and Social Work Services were 8% and 10.4% respectively above Grant Aided Expenditure (GAE).

103. The Service has a clear vision and clear strategic aims. A large proportion of service users are satisfied with both primary and secondary schools. The Service plays a key part in the Council's Social Inclusion agenda through, for example, its Children's Community Partnerships that recently won a CoSLA Excellence Award.

104. The HMIE inspection report for Stirling Council, published in August 2004, found that the Council had "*made considerable strides in realising its strong commitment to the all round care and education of children.*" All but one of the quality indicators used during the inspection were assessed as Very Good. *Continuous improvement in performance* was assessed as Good. In a System 3 survey undertaken as part of the HMIE inspection, the service came out above the figures for other councils on 23 out of 26 indicators.

105. Recent figures published by the Scottish Executive show the Council out-performing the Scottish average for Higher and Standard Grade passes at all levels in 2003/04. There are variations within the figures that suggest the Council needs to deal with the slight deterioration in achievement levels shown in two indicators.



106. The HMIE report shows that Stirling is ranked joint first in relation to pre-school provision among Scottish local authorities. All children in both their pre-school year and the year before receive pre-school education (Exhibit 6). The 2002 Residents Survey found that 86% of users of the service were satisfied with nursery education. HMIE found that there was very good provision and quality of support for early education.

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### Exhibit 6

Uptake of pre-school provision (2002/03)	% Three-year old children	% Four-year old children
Stirling	100	100
Scotland	94	98

Source: HMIE Inspection report, August 2004

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107. The Chief Social Work Inspector's 3<sup>rd</sup> Annual Report published in 2003 noted, "*Children's services are well developed and have benefited from joint working between Education and Social Work*". The report also noted that the Council's achievements included "*improving the educational performance of children and young people who are looked after*", but that it had to take urgent action to "*make sure all children and young people who are looked after, are in full-time education*". The Council currently has full time educational programmes available for all looked after children of school age.

## Environment Services

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**Refuse collection and roads maintenance services are poor. The Council acknowledges the need for great improvements in both services. Roads maintenance requires major investment and will not be a quick fix. By contrast, kerbside recycling has been very successful.**

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108. The Council's waste management service has undergone substantial change over the past three years. This has included new joint working arrangements with two neighbouring councils, approval of a new Joint Area Waste Strategy, additional government funding for strategic waste management, closure of its landfill site, and opening of a transfer station, commissioning a new civic amenity site, and a new waste and recycling service.



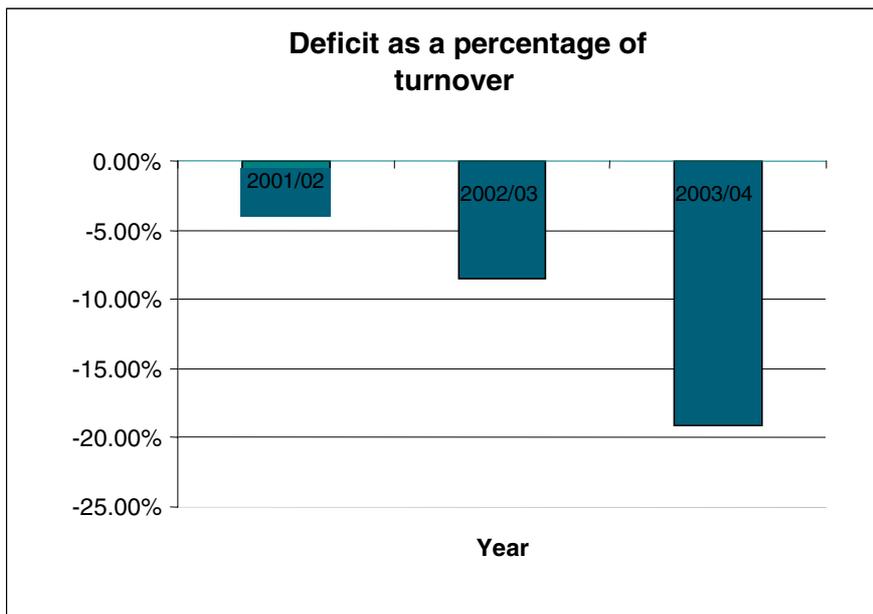
109. The refuse collection service was well regarded by customers until about a year ago, when bins on certain routes were not being collected as scheduled and complaints about the service escalated dramatically.

110. The refuse collection Direct Service Organisation (DSO) has been making increasing losses in recent years, prompting management action to try to reduce costs. This included revising collection routes and staff shifts. This provoked a negative reaction from some of the workforce and led to deterioration in the service. The difficulties were compounded by an ageing fleet of vehicles, which kept breaking down and being taken off the road for repair. The cost of frequent repairs and additional casual staff saw the deficit more than double to £439,000 between 2002/03 and 2003/04 (Exhibit 7).

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## Exhibit 7

### Refuse Collection DSO Deficit



Source: Stirling Council

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111. The Council approved a tender for replacement vehicles in February 2004 and will pay for these through Prudential Borrowing. The new fleet was due to come into service in November 2004 but has been delayed. The Council recognised that, not only did the service have to improve quickly, but the costs also had to be reduced. Between 2002/03 and 2003/04, the gross cost of refuse



disposal per property rose from £48.68 to £55.04, an increase of 13.1%. The average increase for similar councils during the same period was 5.8%.

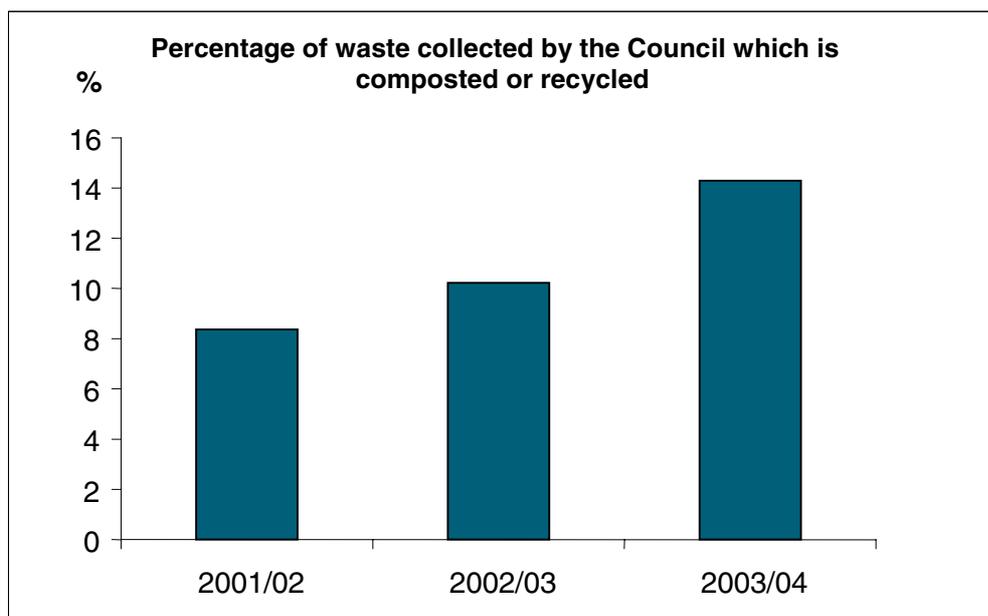
112. The Council has now secured agreement with the Trades Unions for different ways of working, including longer working days and introducing performance-related pay. It expects to reduce the annual deficit over the next three years, although the external auditor has expressed serious doubts over its ability to achieve its statutory breakeven target by March 2006.

113. In contrast to the poor refuse collection service, the roll-out of the new Kerbside Recycling Collection has been very successful and the Council can already show significant increases in the proportion of waste being recycled instead of put into landfill ([Exhibit 8](#)).

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## Exhibit 8

### Kerbside Recycling Collection



Source: Statutory Performance Indicators

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114. The Council's road network is in a serious state of disrepair following years of under-investment. Stirling is one of only four councils where more than 20% of the roads network has deteriorated to a point at which it needs resurfacing to prolong future life. The Council has chosen to spend less than half its GAE allocation on roads maintenance. This makes it one of only three councils spending such a small amount. The 2002 Residents' Survey showed that 58% of those taking part were dissatisfied with the level of service.



115. There is no quick fix that will return the roads to an acceptable condition. They require substantial and sustained investment and the Council has estimated that the cost of returning the roads network to an average condition would exceed £13 million in capital investment. The sum allocated for roads maintenance in 2004/05 is £2.3 million. The Council recognises that the roads network is one of its most valuable assets and that it must therefore find a way to halt its decline and return it to an acceptable condition.
116. There are three other services within Environment Services that are under-performing – street cleaning, trading standards and public transport co-ordination. The Council is trying to improve these and needs to be able to demonstrate better services in three years time.

## Regeneration Services

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**Regeneration Services is in the process of implementing the Council's plans to out-source, redesign and re-integrate a number of its functions. The Council's approach demonstrates that it is prepared to make changes where these will lead to better service delivery. Although parts of the service, such as housing voids management and re-letting, are performing well, the Council is pursuing stock transfer, driven primarily by the financial incentives available. The introduction of the Purchasing Card scheme is a welcome addition to the Council's efforts to improve performance.**

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117. Regeneration Services was established to transfer and reshape certain Council functions and establish partnerships to deliver the Council's key strategic development projects. Residual Council functions will be re-integrated into other core services. This work is already underway, with proposals to re-integrate some functions into other Council services and relocate elements of economic development to Scottish Enterprise. These processes are intended to realise savings that can be re-directed to frontline service delivery.
118. There is a well developed Service Plan that contains a robust performance management framework including local key performance indicators. The plan recognises the need to work in partnership with a number of key stakeholders.
119. Since the outset, the Council has been keen to influence the physical development of its area. The Stirling Ventures team has been established to drive forward major projects like the city centre extension at Forthside. The Council is positioning itself to take advantage of future opportunities that may include the creation of a local development agency.
120. The housing service performs well. Rent lost due to voids and the time taken to re-let houses have been consistently below the Scottish average for a number of years.



121. Following an options appraisal exercise, the Council has decided to pursue whole housing stock transfer to community ownership. The decision on whether to proceed to transfer the stock will be determined by a tenants' ballot. The Council's primary motivation for moving towards transfer is to relieve the burden of servicing the housing debt and to secure future investment in the stock. The Council has consulted extensively with tenants and staff about the proposed transfer ([Exhibit 9](#)).

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## Exhibit 9

### Stock Transfer consultation processes

Ways in which the Council has consulted tenants and employees about the housing stock transfer proposal include:

- Tenant representation on the Council consultative group set up to bring forward a detailed proposal for stock transfer and to form the new landlord's management committee.
- Open meetings held throughout the Council's area, with bus transport and crèches provided.
- Tenants' newsletter, "*Open Door*".
- Stirling Tenants Assembly Fact Sheet.
- Internal newsletter for employees.
- Information cascades from the Head of Housing through managers to their teams.
- Regular meetings between officers and union officials.

*Source: Stirling Council*

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122. Building Services repairs and maintains Stirling's Council housing stock, schools and public buildings. The Council carries out approximately 55,000 repairs each year to its housing stock. In 2002, 57% of tenants were satisfied with the service. It is close to the Scottish average for emergency repairs completed within the target time and for the percentage of non-urgent repairs completed within target time.

123. The Council has introduced a purchasing card scheme that is designed to improve efficiency in a number of areas, including how quickly the Council responds to repairs. The scheme is described in [Case Study 4](#).



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## Case Study 4

### Purchasing cards

As a result of a successful pilot project carried out in 1997, the Council has introduced purchasing cards to improve the quality of services provided to citizens. These enable trades staff to buy materials directly over the counter from local suppliers when they need them and reduce the need for the Council to operate large scale material stores. The cards and software management system were provided at no cost in return for the Council becoming a reference site for the suppliers, Visa and Scorpion. The Scorpion management system was implemented in 2001 after tests were conducted to ensure it worked with the existing financial ledger and costing systems.

Annual spend using the cards has risen from almost £800,000 in 2001/02 to over £5 million in 2004/05. The Council also receives a spend-related rebate from the card provider. This will be about £15,000 in 2004/05. This money will be available to spend on service improvement that will directly benefit citizens.

#### The benefits for Stirling Council

- Money saved from improved pricing and economies of scale negotiated with supplier.
- Better management and control of purchasing means there is less waste of money and goods.
- Purchase-to-pay process time reduced from 60.6 minutes to 16.9 minutes when cards replace the traditional method.
- Purchase-to-pay time is further reduced to 8.3 minutes when buying online and paying by card.
- Stock levels reduced by 66%
- Close to “real time” accounting, with every card transaction posted to financial ledger and costing systems within 72 hours of being processed.

#### The benefits for citizens of Stirling

- Time needed to complete building repairs reduced due to immediate availability of parts.
- More repairs completed during working hours, resulting in better service levels and financial savings.
- Faster response to citizens’ needs during emergencies achieved without the need to hold large amounts of stock and inventory, again resulting in savings.
- More tenants will get new kitchens as a result of a 2.5% price rebate for payment by card on a kitchen supply contract.



# Part 4: What needs to improve?

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Stirling Council recognises the need for an open culture that supports change, challenges poor performance and looks for better ways of delivering services. It is clearly focused on the need for improvement and its corporate structures have been tailored to achieve this.

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## Developing an improvement culture

124. Continuous improvement in public services and local governance lie at the heart of the Best Value and Community Planning policy framework. Local authorities must develop an improvement culture across all service areas. Elected members and officers must focus on key policy objectives and the needs of service users and communities, and be driven by a desire to achieve the highest possible standards in service delivery. This requires a culture where areas in need of improvement are identified and openly discussed and in which service performance is constructively challenged.
125. Stirling Council has made a lot of headway in defining its strategic improvement agenda since the election in 2003 and has in place a range of strategies designed to develop the organisation and improve service delivery. Its challenge now is to put these into practice. There are clear indications that the Council is willing to change what it does to meet its objectives, and we believe that the creation of Corporate and Environment Services and plans to outsource elements of Regeneration Services illustrate this commitment.
126. The Council made a good start on members' scrutiny, but this has drifted somewhat since the last election. Members are fairly passive in this respect and rely on officers to report to them. The Council, therefore, has to take a fresh look at how members can become more actively involved in scrutiny, and review the regularity and quality of reporting to ensure poor performance is dealt with promptly. The GRPG has the potential to assume the role of an audit committee and take on a much clearer role in scrutiny and risk management at the corporate level.
127. There is scope for the Council to make much more of Public Performance Reporting and it is seeking new ways of reaching the public. It recognises the need to have a comprehensive performance management system in place across the Council and to have elected members more actively engaged in this area.



## Improvement Agenda for Stirling Council

128. While some Council services perform very well, others need to improve. The Council prepared a comprehensive improvement plan during the audit process and is finalising an Action Plan with specific and measurable targets to address the key areas for improvement.
129. The scope of the improvement plan presents the Council with a significant challenge and will test the corporate discipline that is one of its main strengths. Equally, the Council is making progress in aligning its spending plans with its strategic priorities. Delivering the improvement plan will require clear direction from the top and a greater commitment to performance scrutiny by elected members. The external auditor will monitor progress over the next three years.
130. The Council's improvement plan is very ambitious and may change following the audit. In our view, the Council needs to give priority to the following measures in its final plan:

- Align its service plans with the corporate planning time-frame, ensure service plan objectives are specific and measurable, and clearly linked to budgets
- Deliver its Human Resources and Organisational Development Strategy
- Ensure that its proposals for members' scrutiny panels will enable adequate challenge of performance in priority areas
- Review the frequency of Council and Committee meetings to ensure members have sufficient opportunities to exercise their scrutiny role
- Refocus the GRPG into a body that carries the role of an audit committee and assumes corporate leadership for scrutiny and risk management
- Improve its Public Performance Reporting mechanisms and ensure these reach all sections of the community
- Put in place a comprehensive performance management system that is capable of reporting the contribution of services to corporate objectives and the impact of community planning. The system needs to involve elected members more fully and regularly than has been the case
- Extend the impact of its sustainability policy across a broader range of services.
- Take urgent action to improve the roads network
- Recover and stabilise the financial position in the refuse collection service
- Increase the level of home care provision
- Increase the availability of high-quality sports facilities in the city of Stirling
- Ensure that its resources are applied where they are needed most to secure improvements in services that are performing poorly as a result of under-investment and maintain the levels of success being achieved by the best performing services.



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# Stirling Council

## The Audit of Best Value and Community Planning



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