

# **South Ayrshire Council**

## **Targeted Best Value audit work 2013**



Prepared by the Controller of Audit  
February 2014

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

---

# Contents

<b>Commission findings</b> .....	<b>4</b>
<b>Introduction</b> .....	<b>6</b>
Best Value.....	6
Background.....	6
<b>Summary</b> .....	<b>9</b>
<b>Our audit conclusions</b> .....	<b>11</b>
Vision and strategic direction.....	11
Leadership and culture.....	14
Performance management .....	16
Challenge and improvement.....	17
<b>Recommendations for improvement</b> .....	<b>20</b>

# Commission findings

- 1. The Accounts Commission accepts the Controller of Audit's report on the targeted Best Value audit covering leadership and culture, performance management and scrutiny in South Ayrshire Council.**
- 2. We are seriously concerned about the council's inability, over a number of years, to fulfil and sustain its statutory Best Value responsibilities, ie continuous improvement in the above areas. The depth and pace of improvement in these areas have been inadequate and, while there are signs of improvement, these should have been established much earlier. However, we acknowledge and recognise that the performance of council services raised no significant concerns.**
- 3. The people of South Ayrshire and its communities are entitled to expect the leadership of the council to take the steps necessary to embed and sustain continuous improvement and to address the major challenges facing the council. It is the responsibility of all councillors to provide strong strategic leadership and to ensure that the council has the senior management capacity to support change and sustain improvement. Equally, the public and council staff expect senior management to provide clear leadership and consistent corporate working to address the lack of progress to date and help deliver the future success of the council. In particular, the chief executive has a key leadership role in embedding a positive organisational culture.**
- 4. Councillors and senior officers must have a clear and shared understanding of their respective roles and responsibilities. Working together, they must build trust and confidence that each will deliver what is expected of them in leading and managing the council. However well intended, it is not the role of a council Leader to be involved in the operational management of a council; that is the responsibility of the chief executive.**
- 5. We are also concerned that the council has not had a corporate plan since 2012 and that this is likely only to be resolved in March 2014. A corporate plan has a key role in ensuring that all departments and individual staff are focussed on common strategic objectives. Without a plan, there is no clear statement of the council's priorities for services and improvement. Nor is there clear information about how it will address significant national issues, such as health and social care integration, in the context of other priorities and challenges.**
- 6. Scrutiny and performance management arrangements are ineffective. Councillors must ensure that the council's scrutiny arrangements are fit for purpose and transparent. They must also insist on receiving comprehensive information that is accurate, timely and consistent across services. Officers must ensure that performance reports support effective scrutiny and that the underpinning management processes support service improvements.**

- 7. We require progress to be made as a matter of urgency. Otherwise, the weaknesses identified by the targeted audit of Best Value will increasingly have a negative impact on the services that the council provides for people and communities in South Ayrshire and on the public's confidence in the council.**
- 8. It is essential that the corporate plan and supporting service and resource plans are in place and that these are implemented and monitored from the start of the 2014/15 financial year. These must include a clear commitment to Best Value and how that will be achieved and sustained. Within these plans, the Commission requires explicit references to the significant weaknesses highlighted in the Controller of Audit's report. Those explicit references should set out specifically what will be done, by whom and when, and how progress will be measured and reported.**
- 9. We are of the firm view that Best Value can only be achieved when councillors and officers have the necessary support and skills to carry out their roles. The challenges the council faces in establishing and sustaining effective leadership and improvement are both deep rooted and substantial. The council as a matter of urgency needs to seek external assistance through, for example, peer support and assistance from the Improvement Service.**
- 10. We require a further report by the Controller of Audit on the progress made by the council by December 2014 at the latest, and earlier if the Controller identifies concerns that he considers should be brought to our attention before then. When we receive the Controller's report we will decide what further action we need to take. This may include a requirement for further reports from the Controller over time until the Commission is satisfied that a culture of improvement at the council is embedded fully.**

# Introduction

## Best Value

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. Staff from Audit Scotland carry out the audit work on Best Value and the Controller of Audit provides audit reports to the Commission.
2. We base the scope of each audit of Best Value on a shared risk assessment that we carry out annually, working with colleagues from the other scrutiny bodies that cover local government. There is a Local Area Network (LAN) for each council, which produces an Assurance and Improvement Plan (AIP) that sets out planned scrutiny activity for the council covering a three-year period. This means that audits of Best Value focus on the particular risks and key issues that individual councils face, and are coordinated with other inspections and scrutiny activity.
3. The Accounts Commission published its findings on the first audit report about Best Value in South Ayrshire Council in April 2009, and a second progress report in June 2010. The South Ayrshire LAN produced its first AIP in 2010, and issues an updated plan for the council on an annual basis.

## Background

4. The 2009 audit of Best Value audit in South Ayrshire Council concluded that it had made limited progress in delivering Best Value. The findings noted that elected members and senior management had not provided sufficient leadership to create a culture of improvement, or systems to manage performance and key resources effectively. These are essential elements of Best Value under the 2003 Act.
5. The 2010 Best Value progress report found that the council had made good progress in addressing some important aspects of the improvement agenda set out in the 2009 audit report. It had improved its financial position and begun to establish a culture of continuous improvement throughout the organisation. The report also said that other areas required further work, including the implementation of a comprehensive performance management system, the development of a more strategic approach to service review and the strengthening of community engagement. It concluded that the council should consolidate all its improvement activity into a single plan that was prioritised and resourced properly, and supported by effective project management arrangements.
6. The local government elections in May 2012 resulted in a change to the administration of South Ayrshire Council. It is now a partnership between Conservative and Labour members having previously been a Conservative and Scottish National Party administration. The council has continued with an executive and scrutiny panel decision-making structure.

7. The South Ayrshire LAN published its AIP for 2013-2016 in April 2013. The LAN noted that the performance of council services continued to raise no significant concerns, but it identified a number of areas relating to the corporate management of the council where scrutiny was required to ensure the performance of services is supported and sustained for the future. The LAN also raised concerns over the pace of improvement in these areas. It recommended that targeted Best Value audit work take place during 2013 to consider:
  - Vision and strategic direction
  - Leadership and culture
  - Performance management
  - Challenge and improvement (specifically what management and internal scrutiny there had been of the council's improvement programme and its progress in completing the programme).
8. In March 2013, it was agreed at a South Ayrshire Council meeting that the chief executive would retire. In May 2013, the council appointed a new chief executive.
9. During April and May 2013, we carried out some initial desk-based work to review the council's improvement programme and assess how well improvement activity was reported and monitored. We presented our findings on this initial work to the council in June 2013, concluding that:
  - since November 2011, councillors had not been provided with comprehensive and regular information to allow effective management and scrutiny of the council's improvement programme
  - a number of improvement areas included in the programme did not have specific, measurable actions against which progress could be monitored
  - reports had been made to various scrutiny panels on a range of individual activities but the disparate nature of reporting made it very difficult for the council to demonstrate progress against its overall improvement programme.
10. We made two recommendations which the council agreed to action by October 2013:
  - That the council should ensure it clearly identifies its improvement objectives in its forthcoming new Council Plan. The actions required to achieve these should be clear and measurable, with the responsible officers and timescales for delivery identified.
  - That the council should ensure the progress of improvement work agreed in its new Council Plan is regularly reported to all members. Reports should provide members with clear and measurable oversight of progress against the entire improvement programme.
11. The main audit work on vision and strategic direction, leadership and culture, performance management, and challenge and improvement was carried out during November and December 2013. This work involved reviewing council documents, observing council meetings and interviewing councillors and senior council officers. Our audit judgements and conclusions are summarised in this report.

12. We gratefully acknowledge the cooperation and assistance that the audit team received from the leader of the council, Councillor Bill McIntosh, the Chief Executive, Eileen Howat, and all councillors and officers we contacted during the audit.



# Summary

13. Our overall conclusion is that despite some recent signs of progress over the past year, South Ayrshire Council cannot yet demonstrate that it is achieving Best Value. This is due to significant weaknesses in its strategic direction, leadership, performance management, and scrutiny.
14. The council lacks strategic direction. It has not had a corporate plan since September 2012 and this is not expected to be resolved until March 2014, a gap of 18 months. It is not able to show how it is strategically directing its resources towards corporate or community planning priorities. The council has, for example, agreed plans on national developments such as welfare reform and health and social care integration. However, in the absence of a corporate plan, it cannot show how these critical issues will be addressed in the context of other priorities.
15. There has also been a significant lack of corporate working within the council. Attendance by senior managers at Corporate Management Team (CMT) meetings has been inconsistent and individual services have not always taken forward decisions made by the CMT. Key features of the council's management arrangements, such as the implementation of staff appraisals and use of the self-assessment tool How good is our council? (HGIOC), have not been applied consistently or effectively across the organisation.
16. The council does not have an effective performance improvement culture across the organisation. A performance monitoring system (Covalent) is used, but each directorate has its own approach to performance management with the frequency and detail of performance information and reporting varying from service to service. In addition, with no corporate plan in place, there are no clear links between the council's priorities and the performance targets monitored in its services. There is little evidence to show that services use the performance monitoring system to help drive improvements to service delivery, or to meet the expectations of users better. Performance management varies between services and, in some cases, is essentially limited to reporting information about performance rather than managing it.
17. The council has an active audit committee, but two of its three scrutiny panels meet infrequently and lack a clear remit to monitor and challenge service performance. As a result, there are significant weaknesses in the scrutiny of council and service performance by elected members.
18. There is some recent evidence that the council is beginning to address these issues. Since the appointment of the new chief executive, there has been considerable investment in the preparation of a new corporate plan. This has placed a greater emphasis on engagement with councillors at an early stage to establish strategic objectives and develop clear targets. There is evidence that this has been successful in giving councillors a greater sense of ownership in corporate planning. There is also some evidence that senior officers are now working in a more corporate manner, with regular CMT meetings and greater unity in implementing decisions. In our discussions with councillors and officers, there has been acknowledgement

---

that the council needs to improve its approach to performance management and its internal scrutiny arrangements.

19. While we welcome signs that the leadership is aware of the action needed, the evidence over several years is of a council that struggles to implement improvement systematically. It has not fulfilled recommendations agreed from the 2009 and 2010 Best Value reports, and between September 2012 and May 2013, it missed a series of its own deadlines for completing its new corporate plan.
20. The council needs to urgently close the gaps in areas fundamental to a well run organisation. It needs to ensure that it has a new corporate plan in place for the start of the 2014/15 financial year, and use this to drive its budgets and resource decisions in the future. Its performance management system must generate relevant and timely information to report regularly on progress made in delivering the plan. Elected members and senior management need to work together to improve the corporate management of the council to ensure support for the delivery of quality services during the period of significant challenge that local government faces. We have made a number of recommendations for improvement ([page 20](#)).

# Our audit conclusions

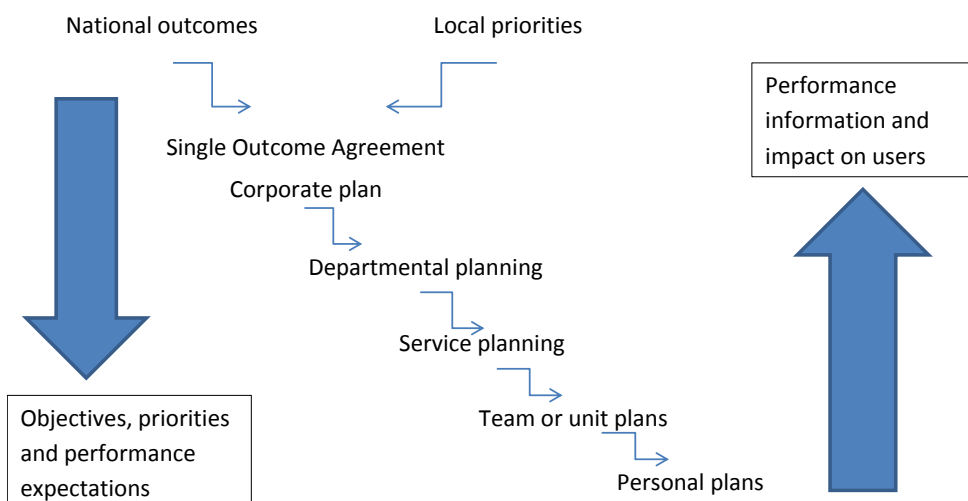
## Vision and strategic direction

**South Ayrshire Council lacks strategic direction and cannot demonstrate that it is directing its resources towards its priorities and to achieving Best Value.**

21. When business planning arrangements are effective, they clearly link vision and high-level strategic objectives with more specific objectives for services, teams and individuals. For councils this means that the strategic priorities set out in SOAs (Single Outcome Agreements) and corporate plans flow down through service and team plans to individual performance and development plans (Exhibit 1). South Ayrshire Council does not have these processes effectively in place, which means it cannot demonstrate that it is directing its resources towards its priorities and towards achieving Best Value in service provision.

### Exhibit 1

#### Effective business planning arrangements



Source: Audit Scotland

22. A council's corporate plan is its key tool for providing strategic direction across the organisation and outlining how it will achieve its objectives. South Ayrshire's last corporate plan expired in March 2012 and, while this was extended until September 2012, by the time the new plan is expected to be in place in March 2014 the council will have been without such a key document for over 18 months.
23. In the absence of a corporate plan, the council cannot demonstrate how it will, with partners, achieve the community planning priorities set out in the SOA for 2013-23. The council has plans in place to show how it will respond to the implications of major challenges such as welfare reform and health and social care integration, which will have a significant impact on

people and communities in South Ayrshire. However, without a corporate plan, it does not have a wider strategic approach to addressing these issues in the context of other priorities.

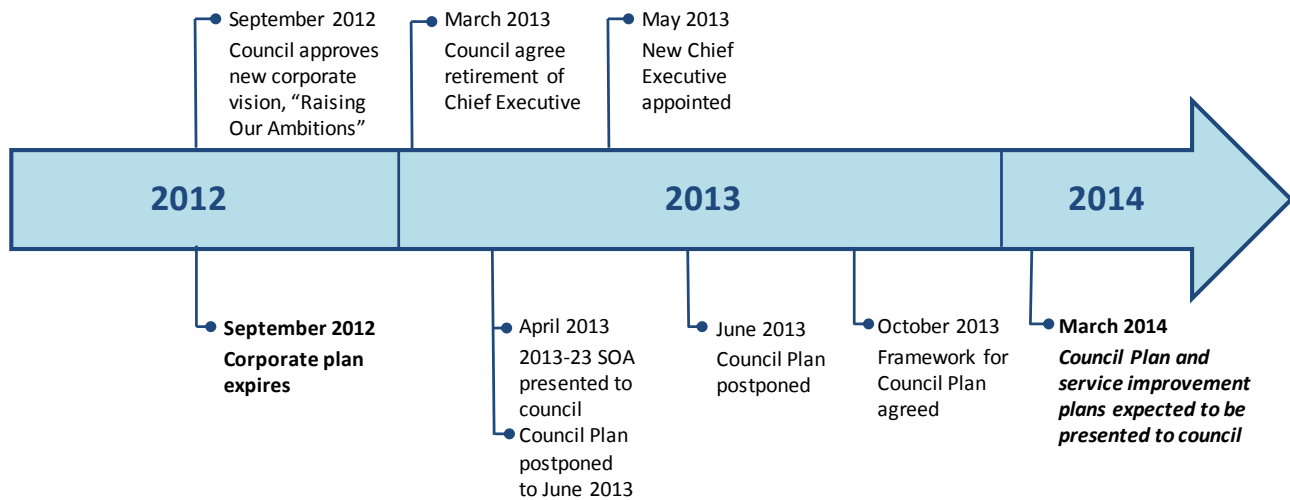
24. While the council has service plans for 2013/14, these are simply the 2012/13 plans extended for another year and they do not reflect SOA priorities. This is also the case for the Performance Development and Review (PDR) arrangements for individual staff. The objectives set in staff PDRs should be based on up-to-date service plans to ensure staff are working to achieve the council's corporate and strategic objectives.
25. The council agreed its 2014/15 budget in December 2013. Without strategic direction and clear corporate objectives there is a risk that budget choices were made which were not consistent with agreed policy priorities and did not represent Best Value. The council have reduced this risk by using impact assessments to measure the implications of savings proposals on service users, staff, property and assets, and other parts of the council. It has also started to use its recently agreed strategic objectives to help inform discussions on budgets. Despite this, there is no clear evidence at this stage to show that this has shifted resources towards policy priorities.
26. The last two years have not been a settled or stable period for corporate management in the council:
  - The decision to extend the corporate plan to September 2012 was made in February 2012 by the council's leadership panel, made up of the Leader of the council and the administration's six portfolio holders. In September 2012, the council approved a high-level vision document called Raising Our Ambitions. This set out strategic priorities for the council to engage on and changes to the remits of the council's chief officers.
  - In March 2013, it was agreed at a South Ayrshire Council meeting that the chief executive would retire from the council in May 2013.
  - In April 2013, a new SOA was agreed by councillors. The council had intended to submit a new corporate plan, known as the Council Plan, alongside the SOA. However, this was postponed to June 2013 to allow time to develop clear priorities and performance measures.
  - In May 2013, the council appointed a new chief executive. The new chief executive recommended to elected members that they further postpone the Council Plan. This was to allow councillors to be fully involved in setting the council's strategic objectives and to give them greater ownership of the plan. Elected members agreed a revised deadline of March 2014 for completion of the Council Plan.
27. In October 2013, elected members agreed a framework for the Council Plan. The new plan will detail how the council intends to deliver the priorities of the 2013–23 SOA. It will set out the council's strategic objectives for the next three years, the strategic outcomes the council will focus on and a framework of performance measures and targets to evidence and manage delivery. Service and improvement plans will outline how individual services will support the delivery of the council's strategic objectives. Service objectives will be incorporated in

individual PDRs. The new three-year Council Plan will be refreshed to take account of changing circumstances.

28. Exhibit 2 outlines the key events and decisions that have taken place since 2012.

## Exhibit 2

### Timeline



Source: Audit Scotland

29. The new chief executive has placed a greater emphasis on engaging councillors and officers in the development of the Council Plan to ensure their ownership of the plan. In October 2013, elected members agreed new strategic objectives for the council:

- the economy
- communities
- children and families
- adults and older people
- the environment
- improvement.

30. During November and December 2013, a series of workshops with councillors was held to allow discussion on the key actions and performance measures underpinning these objectives. These workshops have been reasonably well attended, with around three-quarters of all councillors taking part. Elected members are positive about the workshops and the opportunity they provide to contribute actively to the development of the Council Plan.

## Leadership and culture

**There has been a lack of corporate working across the council but action is underway to address this.**

31. While the council has committed to finalising the Council Plan and its service and improvement plans by March 2014, the overall process has taken longer than expected and between September 2012 and May 2013 a number of internal deadlines were missed. The council has a poor track record in implementing other corporate strategies, such as its communications strategy, which has been delayed on a number of occasions and is still to be completed. This points to weaknesses in leadership and culture in recent years. In response to these issues, the council has recently introduced a tracking mechanism to record and monitor officers' progress in implementing actions agreed by elected members.
32. Prior to the appointment of the new chief executive, senior officers were not working well as a team or taking ownership of corporate objectives. Evidence of this includes:
  - Individual senior managers frequently did not attend CMT<sup>1</sup> meetings or if they did they did not engage effectively in its procedures.
  - The council has adopted a self-evaluation process (HGIOC). This was used to carry out a corporate evaluation of the council, the results of which were reported to the CMT in February 2012. The council agreed to roll out this approach to all services to help form service and improvement plans. However, the council's three directorates have taken different approaches, and determined their own timetable, for implementing HGIOC.
  - The use of PDRs for performance appraisal is inconsistent across services. Only around 70 per cent of staff have an up-to-date PDR and for some services, particularly roads and waste management, the rate is much lower. The council has committed to ensuring that all staff receive a PDR by the end of 2014.
33. It is important that there is clarity about the respective responsibilities of the chief executive, senior officers and elected members. Many of the principles are set out in the Accounts Commission's report *Roles and working relationships: are you getting it right?* published in August 2010. A councillor's role is to represent constituents and communities, to provide leadership and direction for the council and to scrutinise service performance. Council officers are responsible for operational leadership and management and for providing professional advice to support councillors in their role. In simple terms, on an issue-by-issue basis, councillors determine policy, officers manage delivery of the policy objectives and councillors scrutinise progress and delivery through established processes.
34. In South Ayrshire, the council needs to clarify the roles and responsibilities of elected members and senior officers. For example, in recent years, the council leader has felt the need to have a close involvement in operational matters, such as reviewing absence and overtime statistics, and holding regular meetings with groups of senior officers. This is not

---

<sup>1</sup> The Corporate Management Team is the chief executive, three executive directors and ten heads of service.

consistent with normal practice and established principles. To some extent, this has been the result of previous circumstances, where members were not confident that agreed actions would be fully carried out by officers. There is, however, a risk that, if continued, this approach could interfere with corporate working and undermine the role of the chief executive.

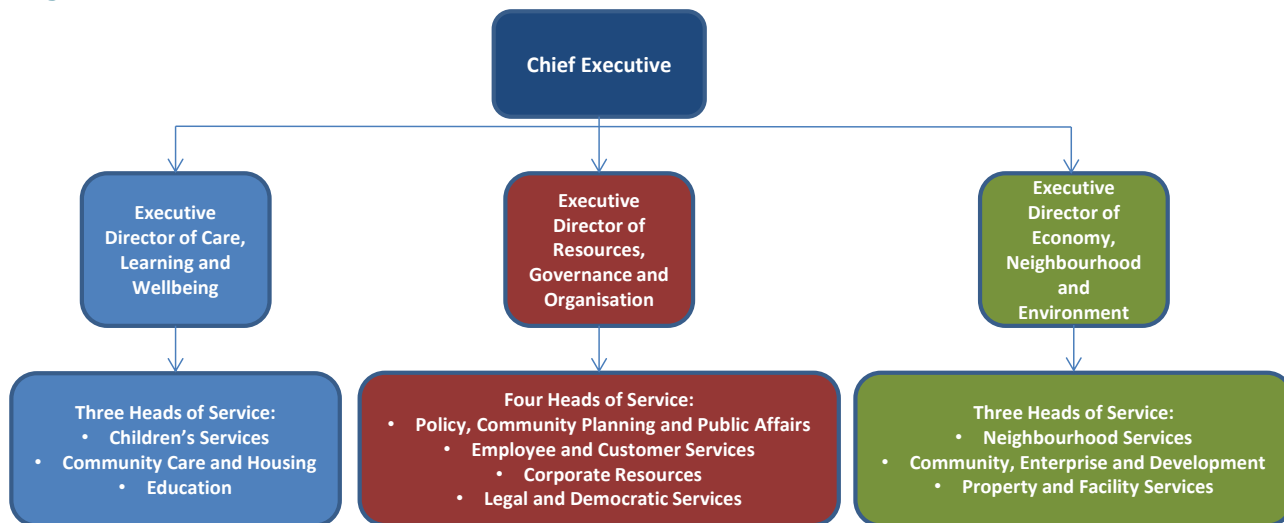
35. The council is starting to address the lack of corporate working and the implications this has had. The CMT is demonstrating greater unity under the new chief executive with more opportunity for open discussion at meetings and greater consensus on decisions made. It meets on a four weekly basis, with the Executive Officer Group (EOG)<sup>2</sup> and Heads of Service meetings taking place on alternative fortnights. The new chief executive introduced the Heads of Service meetings to support delegated responsibility for the senior managers directly involved in running council services. It is too early to assess the effectiveness of recent developments but there is some evidence that working relationships between senior officers have improved, trust between members and officers is growing, and corporate working is improving.
36. However, the council is still to fully complete significant restructuring of its services. In September 2012, the council approved Raising Our Ambitions for South Ayrshire. The purpose of this paper was to provide a strategic overview of the next phase of the council's organisational transformation and set out strategic priorities for the council to engage on. The paper included changes in chief officer remits to support the proposed strategic priorities, reduce duplication and improve service delivery. These changes, which were implemented in February 2013, resulted in the current organisational structure shown in [Exhibit 3 \(page 16\)](#).

---

<sup>2</sup> The Executive Officer Group is the chief executive and three executive directors.

## Exhibit 3

### Organisational structure



Source: Audit Scotland

37. The changes in chief officer remits were designed to encourage better corporate working. While there is some evidence this has happened, the changes have also created disruption and uncertainty. Officers and members are still developing their understanding of where responsibilities and accountabilities lie under the new structure.

## Performance management

### The council does not have an effective performance management culture across the organisation.

38. Having an effective performance management framework and culture helps councils to demonstrate that they are delivering efficient and effective services to communities and are making the best use of resources. An effective performance management culture will also help improve the delivery of services to the public.
39. Performance management involves gathering, analysing and acting on performance information to improve services and the quality of people's lives in the local community. For a performance management framework to be effective, it needs to reflect the council's priorities and be integrated into business planning arrangements.
40. The council has a performance information management system in place based on the Covalent platform. While all services use it, each uses it differently with no consistent corporate approach. Performance information is reported monthly, quarterly or six monthly depending on the service. The level of detail reported also varies considerably between services. Some services have numerous, very detailed performance measures, others have relatively few high level measures. Without consistent, regular performance information across all services, it is very difficult for senior officers to assess how well services are performing, to



identify areas where improvement is required across the council, and evaluate progress on corporate objectives.

41. With the Covalent tool being the main feature of the council's overall performance management arrangements, it is in effect reporting performance rather than managing it. Performance measures in place tend to focus on inputs and processes, rather than outputs and impact. More needs to be done to monitor progress in implementing council and SOA objectives and, in particular, the impact performance is having on service users and outcomes for South Ayrshire's communities.
42. The council recognises that it needs to improve performance management and it plans to update performance information to reflect the new Council Plan, service and improvement plans and benchmarking information available from the SOLACE performance management initiative. It is intended that the Council Plan will include a series of key performance indicators with an emphasis on measuring outputs and impact. The council also plans to implement monthly performance reports for managers, which focus on the strategic priorities set out in the Council Plan. These new arrangements will take time to bed in. With the Council Plan due to be finalised in March 2014, clear evidence of major improvement in performance management is unlikely to be available for some time.

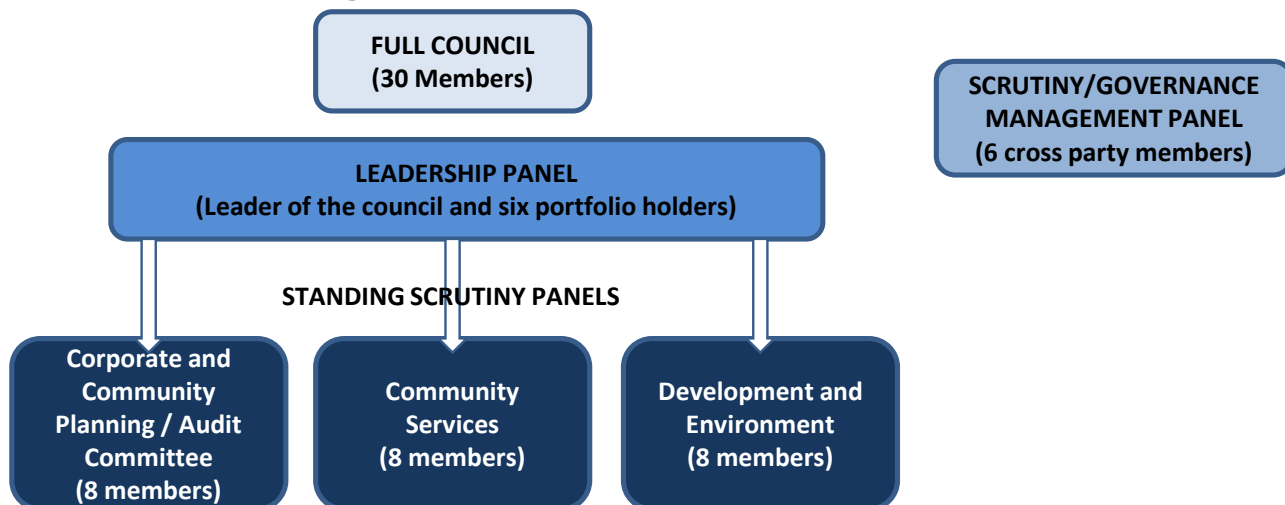
## Challenge and improvement

### **The council has an active audit committee but its overall scrutiny arrangements are not effective.**

43. Effective challenge that leads to improvement is a key area of Best Value and a core component of effective governance. A significant contribution to this should come from the internal decision-making and scrutiny arrangements in place at the council and how well they work.
44. [Exhibit 4 \(page 18\)](#) outlines the council's main political decision-making structure. An executive and scrutiny panel structure sees executive decision-making powers being the responsibility of a Leadership Panel consisting of seven members (including the leader and deputy leader) each of whom has responsibility for a specific portfolio. The Leadership Panel takes all key strategic and service delivery decisions. The review and approval of annual revenue and capital budgets and the setting of council tax is reserved for the full council.

Exhibit 4

Political decision-making structure



Source: Audit Scotland

45. The council has three standing scrutiny panels (SSPs), aligned to Leadership Panel portfolios, whose main function is to consider Leadership Panel decisions which have been 'called in' by SSP members.
46. The Corporate and Community Planning Standing Scrutiny Panel also acts as the council's audit committee. The panel's performance as an audit committee is effective and meetings are well supported by members. Attendance is good, members are engaged and meetings are chaired effectively by an opposition councillor. Most members provide a good level of scrutiny and constructive challenge to officers on the reports submitted. However, members regularly express frustration at the lack of progress in resolving issues reported to the panel, for example on asset management and the capital programme.
47. Overall the system of scrutiny panels is not effective. While regular meetings are scheduled, they often do not take place due to a lack of business. For example, the Community Services and the Development and Environment standing scrutiny panels were each cancelled three times in 2013. The remit of the panels is limited and this may be why sufficient business is not apparent. It is important that the council review the use of these panels and their scrutiny arrangements.
48. The council's scheme of delegation describes the role of scrutiny panels as helping to scrutinise the activities of the Leadership Panel and holding it to account for its performance. Panels can only do this by discussing and investigating Leadership Panel decisions that have been 'called in' by their members. All three standing scrutiny panels have carried out investigations and in some cases the issues have been referred back to the Leadership Panel or council for further discussion. While this allows members to subject Leadership Panel decisions to further, more detailed discussion, it is not an effective means of reviewing the performance or impact that the council is making.

49. With the current limitations in their remit, scrutiny panels do not effectively drive performance improvement. The council formally reports performance to elected members only on an annual basis. The latest performance report, for 2012-13, was presented to the Leadership Panel in September 2013. Standing scrutiny panels received an abridged version of the report detailing performance in the services each covers. However, in the absence of an up-to-date Council Plan, performance was reported against the aims of the council's Corporate Plan for 2009-2012. This meant that the information did not reflect current council priorities or the challenges it faces in the future. The report contained a large volume of information making it difficult for members to access the key messages properly. Much of the data in the report was also out of date, with members unable to assess how well services were currently performing. Additionally, the fact that standing scrutiny panels are no longer aligned with the council's organisational structure makes it difficult for members to identify which officers to hold to account for particular performance issues.
50. The council is attempting to strengthen the performance management role of standing scrutiny panels by giving them additional responsibilities for conducting specific performance studies, such as a review of absence management. This work, which was initiated in autumn 2013, is at an early stage and it is too early to comment on its effectiveness. In addition to these studies, the council needs to introduce regular and timely performance reporting that places a greater emphasis on outcomes and leads to improvement action being taken where required.
51. Standing scrutiny panels already have the power to undertake in-depth scrutiny reviews of particular issues of concern, but where these have taken place, they have not focussed on priorities. The scheme of delegation says reviews can be undertaken where there are clear linkages to the council's Best Value improvement programme. Standing scrutiny panel members suggest ideas for scrutiny reviews and these are then referred to the Leadership Panel and council for final agreement. Review areas in 2013 included the instrumental music service, grounds maintenance and library services. These are not areas where performance is poor or there are serious issues and it is difficult to see a link between these topics and the council's Best Value improvement programme.
52. Officers and members recognise that the council needs to improve its scrutiny arrangements. The council operates a Scrutiny and Governance Management Panel, with a remit that centres on the maintenance of good governance and adherence to agreed standards. Over the course of 2012/13, the panel reviewed how the council undertakes scrutiny. This included looking at how scrutiny processes could be improved and reviewing the scheme of delegation. So far, this has resulted in minor administrative changes, eg to the process of recording minutes. However, as part of the next phase of this work, members plan to visit other councils to investigate their scrutiny arrangements and identify good practice. The panel plans to report back to the council, but it is unlikely that any significant changes will be made before the next council elections. The council needs to ensure that improvements are made to its scrutiny arrangements with greater urgency.

# Recommendations for improvement

53. As a result of this audit work, targeted at four key areas of Best Value, we recommend that the council makes improvements as follows:
54. The council needs to:
- Fully implement the previously agreed recommendations<sup>3</sup> to set improvement objectives as part of the Council Plan and introduce regular reporting against these.
  - Ensure that the Council Plan and service and improvement plans are in place for the start of the 2014/15 financial year, and effectively communicated to all staff.
  - Ensure that all staff have Performance and Development Reviews, including clear forward objectives reflecting the new corporate and service plans.
  - Ensure corporate approaches agreed at CMT, such as the roll out of HGIOC, are consistently implemented across the council.
  - Introduce regular and timely performance reporting that has a greater focus on outcomes and leads to improvement action being taken where required.
  - Ensure the review of scrutiny arrangements addresses the weaknesses in the current arrangements and that improvements are made with greater urgency.

---

<sup>3</sup> Reported in letter to chief executive on 18 June 2013.