

# North Ayrshire Council

## The Audit of Best Value and Community Planning



Prepared for the Accounts Commission

February 2005



**Audit Scotland** is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. It provides services to the Auditor General for Scotland and the Accounts Commission. Together they ensure that the Scottish Executive and public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.



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# Commission findings



1. The Commission welcomes this report on the performance of North Ayrshire 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 acknowledged the co-operation and assistance given to the audit process by members and officers of the Council.
2. North Ayrshire Council faces significant challenges in the social and economic circumstances of its area and is well placed to meet these. The foundations are mostly in place for Best Value and Community Planning and the Council's approach is positive. It engages well with its local community and its Community Planning partners at a strategic level, but we would encourage the Council to use its existing resources more creatively when responding to local needs.
3. There is evidence of some good service performance and customer care. The Commission would like to have known more about how well individual services are doing, but there was limited systematic performance data available to the auditors.
4. The Council knows what needs to improve and has identified for itself many of the things that need to happen. The Commission wishes to emphasise a number of those areas –
  - Elected members need to set a clear direction which is more focused on local needs and specific goals for improvement in service delivery
  - Elected members must fulfil an effective scrutiny role. They have shown willingness to do so and require the support of officers, access to well-focused data on performance and costs and an effective training and development programme in order to achieve this.
  - The senior management structure needs to be re-examined to ensure it properly supports the Council's business processes, and the role of the corporate management team needs to be more strategically focused
  - A performance management framework has recently been established but more and better measures of the cost and quality of services need to be introduced.
5. The Commission accepts that the Council recognises the need to change and urges it to add impetus to the change process. The Council should now develop and agree an improvement plan based on the improvement agenda contained in the Controller of Audit's report and taking into account these findings of the Commission. We expect the improvement plan to be specific, measurable, action orientated, realistic and timed. The plan should be sent to the Commission by 31 March 2005.

# 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 North Ayrshire 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:

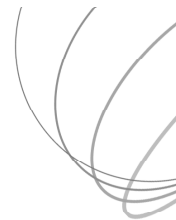
- where possible, we draw on the findings of other scrutiny processes, such as the work carried out by the council's external auditors and by inspectorates. These are incorporated into our report
- we select certain aspects of the council's performance for detailed audit investigation. A wide range of 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. We have made some comparisons with other councils, but our overall approach has focused on performance trends and improvement within North Ayrshire Council. The report also reflects the picture available at the time our main audit work was conducted between September and October 2004. This coincided with the appointment of a new Chief Executive which in turn has led to significant changes in a number of areas referred to in this report.

We gratefully acknowledge the co-operation and assistance provided to the audit team by Councillor David O'Neill, Leader of the Council, Chief Executives Bernard Devine and Ian Snodgrass, Jim Montgomery, and all other elected members and staff involved.

# Overall conclusions

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North Ayrshire Council is committed to Best Value and Community Planning and there is evidence of a general trend of service improvement. It is engaged with its local community and has the capacity to bring about real changes for them. The council is very responsive to national policy objectives, but needs to be more creative in its use of existing resources when responding to local issues. While some services are responding to the challenge of the modernising agenda this is not consistent across the council.

The foundations for achieving Best Value have been laid, but management processes need to be further developed. The council now has a chance to make a step change in its effectiveness and early signs suggest that it will take this opportunity.

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1. North Ayrshire Council faces significant challenges in the social and economic circumstances of its area and is well placed to meet these.
  - *The council is committed to Best Value and Community Planning and recognises what needs to be done.*
  - *The council has an open culture and is receptive to new ways of working when the opportunity presents itself.*
  - *The council's leaders have established a stable political and managerial environment.*
2. The council has started to address Best Value and Community Planning in a positive way, recognising what it needs to do and making rapid progress in some areas. It is still some way from having all the necessary building blocks in place. Fresh impetus is needed to shift the balance from processes to the delivery of improved services that address the needs of local people.
3. The council engages well with its local community and its community planning partners at a strategic level. In setting its priorities and allocating resources, however, the council is heavily influenced by central government initiatives and funding, and this has tended to drive the development agenda across the council. The council could be more responsive to local issues by using existing funds more creatively. The Customer Care Strategy is a good example of the council becoming more responsive; it has resulted in improved response times and increased satisfaction levels amongst service users.
4. The council knows what needs to improve. Elected members need to set a clear direction, and specific goals for service improvement. They need to ensure full engagement across the council. Arrangements for effective scrutiny have been established, but will be more effective if members are provided with support and development to challenge management consistently on service performance.



5. The basis of an effective performance management framework has been established. This needs to be developed to integrate performance measures with service plan objectives. More effective cost and quality measures need to be introduced. This will improve accountability.
6. The council needs to increase its focus on the cost of services and take more steps to demonstrate that its costs are competitive. It needs a systematic approach to identifying and reallocating efficiency savings.
7. Some departments and services, including Social Services, Housing, Libraries and IT, have embraced the improvement agenda with enthusiasm and the council needs to build on this. The appointment of a new Chief Executive is an important opportunity for step change in any organisation, and North Ayrshire should maximise the benefits from this by refocusing the efforts of its corporate management team. This process of change has already led to some significant developments but there is still some way to go.
8. Limitations in the council's performance management system make it difficult to say how North Ayrshire's services perform. From our audit work and analysis of the council's own material, there is evidence of a general improvement trend with some good performance alongside areas that need to do better:

- *education inspectors have recognised some clear improvements in pupil attainment and achievement, linked to the council's support to schools*
- *social services have worked hard to make the necessary changes to management culture that should now drive improvements for service users*
- *housing services are well-managed and appear to perform effectively in many areas, although rent arrears remain high*
- *very effective information technology services have underpinned a successful customer care strategy*
- *the council recognises that economic development is a vital activity for North Ayrshire, but more evidence of its performance and impact is needed.*

9. The council has identified many of the things that need to improve and action is planned in key areas including:

- *expanding the strategic and scrutiny roles of elected members*
- *developing specific measurable targets for community planning to start driving real change*
- *refocusing the corporate management team to address more strategic issues and deliver corporate objectives and service improvements*
- *strengthening the links between resources and priorities*
- *increasing the effectiveness of review and option appraisal processes*
- *demonstrating value for money in the way services are delivered*
- *developing performance management, with more robust baseline data for all services*
- *improving accountability through better public performance reporting.*



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

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The council has adopted a broad social inclusion agenda and recognises the need to do more to translate the national agenda into clear local priorities, and establish measurable targets for delivering them.

The council has driven the community planning process in its area. However, it needs to inject the community planning partnership with fresh impetus to start delivering real service improvements for local residents.

Public performance reporting needs to be more balanced and regular.

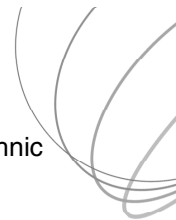
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## Context

10. North Ayrshire Council is a medium sized local authority. In 2003/04 it spent £413 million providing services to the public. Its band D Council Tax was £977, which is slightly below the Scottish average.
11. The council area is split almost equally between the mainland and the islands of Arran and Cumbrae. The main centre of population is around Irvine and Kilwinning, where just over 40% of the area's population of 139,000 lives. The social and economic context is mixed, and Arran and the northern coastal region are relatively affluent in contrast to the other areas.
12. The council has a stable political environment. There is currently a clear Labour majority of 20 out of 30 elected members, with 5 Conservative, 3 SNP and 2 independent members. The council's Chief Executive retired in September 2004, having served since local government re-organisation in 1996. His replacement took up post after a short handover period.
13. The council faces significant challenges:
  - the area has pockets of severe deprivation. Four of the council's thirty wards are among the poorest 10% in Scotland and a further four are in the poorest 15%
  - unemployment is the second highest in Scotland. Employment in traditional manufacturing industries is significantly higher than nationally and a lower proportion of people work in service industries than in Scotland as a whole
  - drug abuse has increased significantly in recent years
  - the population is forecast to fall by about 7% over the next 15 years, compared to a projected decline of 2.5% in the Scottish population as a whole



- the council has higher than average proportions of both young and older people. The ethnic minority population is relatively low (0.7% of the population compared with 2% for Scotland).



## Responding to the needs of North Ayrshire

14. Best Value requires councils to show they are committed to delivering services that are responsive to the needs of their communities. Elected members should have a vision of how Best Value will contribute to their corporate goals and shape better services for the future.
15. North Ayrshire Council has adopted a broad social inclusion agenda. The vision for North Ayrshire, expressed in the community and corporate plans, reflects quality of life aspirations that are shared with central government: health improvement, safe communities, social inclusion, and a strong economy ([Exhibit 1](#)). These priorities are a good fit with the issues facing local communities.

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### Exhibit 1

#### North Ayrshire Community Plan - vision statement

Our vision for North Ayrshire is of:

- a prosperous, safe and environmentally friendly area
- inhabited by a caring and healthy community within decent, affordable housing
- governed in partnership by the key public sector agencies with the active participation of local people.

Above all, our vision is of a socially inclusive community where individuals have the opportunity to achieve their full potential.

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*Source: North Ayrshire Community Plan 2000-2010, North Ayrshire Corporate Plan 2001-2004*

16. The council is focused on the national agenda rather than pursuing its own local agenda within a national context. Members and officers take limited local initiative on issues where national government is also active.
17. The community plan for North Ayrshire, covering the period 2000 to 2010, was drawn up following local consultation, and the council's mission statement, set out in its corporate plan, indicates a clear intention to consult with local people ([Exhibit 2](#)). However, in contrast to the community plan, the corporate plan would have been better informed by closer links to the views of the local community.



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## Exhibit 2

### North Ayrshire Council's Mission Statement

#### Mission

North Ayrshire Council exists to serve and to provide leadership to the people and communities of North Ayrshire.

We aim to do this by:

- speaking up for them and promoting their interests
- ensuring they receive quality public services that provide the best possible value for money.

This will be achieved by continuously consulting with them to listen to their needs and by working with our partners in the public, private and voluntary sectors to ensure these needs are met.

This commitment can only be achieved if we recognise that we are ***Working together for our future.***

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*Source: Corporate Plan 2001-2004, North Ayrshire Council.*

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18. The council has subsequently commissioned a survey of all households within its area ([Exhibit 3](#)). This demonstrates that it is attempting to identify the views of its community in a systematic manner. The survey provides baseline information for monitoring trends in customer perception of services. It also provides a foundation for more effective consultation to support strategic and service planning.
19. A considerable amount of consultation is undertaken by individual services, and we saw good examples relating to the future management of housing stock, the design of new schools, and services for older people. However, there is no system in place to capture the lessons learned for the council as a whole. The council needs to ensure that the links between consultation and service design are clearly recorded and that consultation has a real impact on service design.

## Exhibit 3

### North Ayrshire Council Residents' Survey

The council has recently undertaken a postal survey of all 60,000 households in its area. The survey covered:

- residents' knowledge of the range of public services provided in the area and whether these were provided by the council or another agency
- use of council services and satisfaction levels. Residents were asked to identify those services where they felt greatest improvement was needed
- satisfaction with the local area they live in, and priority areas the council should address locally and for North Ayrshire as a whole
- experience of contacting the council and satisfaction with the response
- overall view of the council.

The survey results indicated that residents' view of the council as a corporate body was negative, although there were positive satisfaction ratings for most council services. Part of the dissatisfaction may arise from the fact that people were unclear about which public services were delivered by the council. For example, more than 40% of people responding thought that the council was responsible for health visitors and district nurses.

There were high satisfaction levels among users of library and refuse collection services. In contrast, road and pavement maintenance had a very high level of dissatisfaction. (This is reinforced by a recent Audit Scotland study which showed that the condition of A roads maintained by the council is significantly worse than in other local authority areas.)

Residents wanted those services which they rated as most needing to improve (roads, sport and leisure and street cleaning) to provide a higher level and quality of service, and to be more responsive to users.

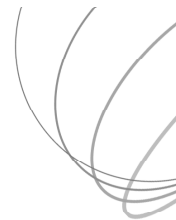
The survey also asked respondents to identify the main issues that the council should address in their local area. The issues identified were: more police on the beat, 'vandalism', the condition of roads and pavements, 'dog fouling', and youth crime. The condition of roads and pavements was seen as the top priority in the North Coast and Arran, whereas community safety issues were the predominant concern elsewhere in the area.

*Source: North Ayrshire Council, Audit Scotland*

## The community plan

20. Councils must work with partners to plan and provide joined up services. The council has driven the community planning process for its area. The council's vision and values are reflected in the community plan, which will shape its priorities for the future. The community plan sets out the social and economic context, and identifies the strengths and challenges facing the community planning partnership in developing policies, strategies and plans.
21. The community plan sets out a 10-year direction based on the community planning partnership's strategic aims. These strategic aims are essentially aspirational statements ([Exhibit 4](#)). The strategic

aims need to be translated into specific actions for the partnership, and the intended impact on individuals and local communities needs to be identified.



## Exhibit 4

### North Ayrshire Community Planning Partnership Strategic Aims

**Community Participation** - to increase the participation of local people in decisions that affect their daily lives and their communities.

**Equal Opportunities** - to uphold the principle of equality of opportunity and promote measures to reduce inequalities.

**Social and Economic Development** - to strengthen the social and economic prosperity of North Ayrshire by integrating actions at national and community levels.

**The Environment** - to promote sustainable development and ensure that environmental factors are given prominence in the decision making process.

**Lifelong Learning** - to promote and develop learning activities that support our commitment to inclusive lifelong learning.

**Health and Wellbeing** - to promote positive health and wellbeing in the communities we serve and reduce health inequalities.

**Community Safety** - to make North Ayrshire a safer place to live, work, visit and invest.

*Source: North Ayrshire Community Plan, 2000-2010 North Ayrshire Community Planning Partnership*

22. The community plan commits the partnership to five principles: *a customer/ citizen focus, accountability and trust, continuous improvement, value for money, and equal opportunities*. Until now, the focus of the partnership has been on structures and processes, and it needs to start delivering real changes for citizens. Progress has been slow, and the council needs to inject fresh impetus into the partnership. It has recently appointed a team of three officers with specific responsibilities in this area.
23. One example of the positive impact which can be achieved through effective joint working and community planning is the work done under the Better Neighbourhood Services Fund. From information provided by the council, this appears to be achieving the intended outcomes of lowering unemployment, reducing crime and the fear of crime, and raising educational attainment in some of the less advantaged areas.

## The corporate plan

24. The council's corporate plan covers the period 2001 to 2004, and was drawn up prior to the Best Value legislation. The corporate plan is intended to 'describe how the council will contribute to the delivery of the vision for North Ayrshire, as contained in the over-arching North Ayrshire community plan.' This demonstrates the council's commitment to the role of community planning in setting the strategic direction for the area.



25. The council's current corporate plan shows a commitment to Best Value, which it defines as a culture of continuous improvement. The corporate plan sets out the council's vision, mission and values. It identifies the council's aims for the community it serves, and its organisational aims.
26. The plan has a strong emphasis on improving the lives of local people and is aligned to the broad aims and objectives of the community plan. However, it is unclear how the council's strategic vision and aims will result in specific improvements in services. As a result, council staff did not appear to have a clear understanding of elected members' vision for how each service will be improved under Best Value.
27. The lack of clear priorities and objectives means that the corporate plan does not effectively drive the allocation of resources. As a result, there is no impetus to reallocate resources from traditional activities. Because the community and corporate plan objectives are vague, it is difficult to see how they have shaped or informed service plans. The council needs to ensure there are clearer corporate priorities and objectives and that links from the corporate plan to service plans are improved. All plans should identify specific targets against which progress can be measured.
28. The current corporate plan is overly focused on internal processes and the management of resources, such as people and property. This is at the expense of setting out a clear direction for services for the public. Given the timescale of the corporate plan (2001-2004) the focus on internal processes and initiatives may represent the council setting its house in order and preparing for the challenges of the Best Value agenda. The council has indicated that work is well under way to draw up a new corporate plan which will concentrate more on issues important to local residents.

## Accountability

29. Best Value requires councils to report their performance to the public, to enable people to make informed decisions about services and hold the council to account. North Ayrshire does not have a comprehensive strategy for reporting performance to the public. Some public performance reporting is undertaken by services, but the quality of this is variable and in some cases it requires significant development.



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

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North Ayrshire Council has laid the foundations for Best Value, but management processes need to be further developed. It needs to refocus its corporate management team to ensure that the council's affairs are managed strategically. The budget process needs to be used to shift resources to policy priorities. The council needs to do more to measure costs and demonstrate value for money in service delivery.

The council needs to challenge itself more robustly on alternative methods of service delivery. It is working to make services more accessible through an effective customer care initiative.

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## Scrutiny by elected members

30. Scrutinising service performance and holding officers to account for service delivery is one of the most important roles of elected members. Both members and officers feel that councillors are not sufficiently challenging in carrying out this role, and that scrutiny is an area that needs to be further developed.
31. Scrutiny is undertaken by sub-committees of each of the council's main committees (Educational Services, Social Services, Property Services, Corporate Services and Corporate Policy). The sub-committees examine service performance as well as reports by external agencies such as Audit Scotland and government inspectorates. They may also scrutinise policy decisions. In addition, the council has an Audit and Standards Committee.
32. There is wide recognition that members need better training and more support to enable them to scrutinise and challenge effectively. The council's external auditors have reported that members require more training on the role of the audit and standards committee and on financial matters. Members propose few agenda items for scrutiny sub-committees, so that the agendas are largely set by officers.
33. Officers and members describe their relationship as '*close and trusting*', '*open and honest*' and '*exceptionally good*'. This results in a constructive working environment, where good communication and understanding is evident. However, the challenge for the council is to ensure that there is sufficient objectivity in the relationship so that members can hold officers to account for implementing policy objectives. Officers have a responsibility to ensure that appropriate and relevant information is

given to members, which accurately reflects service performance and allows effective decision-making to occur.



## Managing service performance

34. Under Best Value performance should be measured systematically across all areas of activity, and relevant trends and targets should be identified. The council has recognised the need to strengthen its performance management framework and has achieved much in a short period of time.
35. This includes the introduction of half yearly performance reports on services, presented to the scrutiny sub-committees. The reports include a statement of how the work of each service directly contributes to community and corporate plan priorities (Exhibit 5). However, these links are tenuous in some cases due to the general nature of corporate and community plan aims. The reports also contain a list of performance highs and lows for the service and an indication of its immediate priorities.

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### Exhibit 5

**Performance reports include a statement of how services contribute to community and corporate objectives.**

#### **Community learning and development**

The Community Learning and Development Service directly supports the following priorities, as contained in the Vision Statement, Mission Statement, Community Aims and Organisational Aims:

Community Participation through the provision of support to community groups.

Social and Economic Development through the provision of courses to equip participants to access employment and training opportunities.

Lifelong Learning through ensuring a range of courses for people of all ages and interests, with appropriate progression to more advanced study.

Equal Opportunities through the provision of courses to all learners, regardless of age, gender, race or disability.

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*Source: Community Learning and Development, Performance Report: 12 Months ended 31 March 2004, North Ayrshire Council.*

36. The performance reports presented to elected members provide a snapshot of some aspects of each service. Although there are some examples of good practice, they do not, generally, enable a judgement to be made on how individual services are performing overall. Nor do they indicate whether overall performance trends are up or down. Closer links to targets and objectives in service plans and further development of performance information to at least a minimum corporate standard would enable the most significant highs and lows to be more easily identified.
37. More contextual information about the impact and significance of performance highs and lows would also be beneficial. The housing service performance report achieves this, giving members contextual information explaining why the measure is important and the scale of the improvement, or highlighting

why things need to get better (Exhibit 6). More frequent and regular performance reporting to elected members would support their engagement and allow more topical discussion of performance.



## Exhibit 6

### Housing services provide useful contextual information for performance highs and lows

#### Performance Highs

- An efficient approach to void management and the allocation of houses ensures that void rent loss is kept to a minimum. In April 2003 void rent loss as a percentage of gross rent due was 1.69% and by end of March 2004 it had reduced to 1.26%. In 2001/02 void rent loss was 2.13% so we have shown sustained improvement

#### Performance Lows

- Performance on rent arrears – reduced from 14.9% in 2002/03 to 12.3% by end of March 2004. Although within our target, this figure is significantly above Peer Group average

Source: Report to Property Services Standing Sub-Committee, North Ayrshire Council, May 2004

38. The council has recently enhanced its performance management framework by introducing a 'balanced scorecard' approach. This is a business tool designed to give a rounded view of performance based on four perspectives: *customer, financial, resources and joint working, and continuous improvement and learning*. Key Performance Indicators (KPIs) have been identified to measure performance from each of these perspectives for each area of service activity.
39. The KPIs are a mixture of statutory performance indicators, indicators designed by professional bodies and indicators drawn up by services. Significant efforts have been made to include targets and comparative information in KPI reports using sources such as similar authorities, national averages and benchmarking groups. There are mixed levels of 'buy-in' to the use and value of the scorecard as a management tool, although all services use it to report to members.
40. The council recognises that existing performance information systems require development to support performance management and the new reporting framework. The reports on the scorecard include some narrative background to the KPIs but this could be further developed, and the usefulness of individual KPIs as measures of performance varies. Better financial indicators are needed to demonstrate cost effectiveness, rather than simply comparing expenditure against budget. More indicators that measure the quality of service as experienced by service users also need to be identified.
41. In future Key Performance Indicators will become an integral part of service plans. This, together with the refinement of KPIs and better focusing of performance highs and lows for each service, should produce a more rounded view of how well services are performing.





42. The council recognises that further work needs to be done to develop more focused KPIs and populate the balanced scorecard. It is a significant achievement that performance reports in the required format have been produced for all council services for the year ended 31 March 2004. Integrating the balanced scorecard with service plans will ensure that there are measurable targets in the plans against which performance can be readily assessed.
43. The development of an improved performance management system will allow improvements to be made in the council's arrangements for accountability and reporting to the public as outlined elsewhere in this report.

## Using resources effectively

44. Best Value requires councils to make the best use of their resources, while balancing cost and quality. Plans must be linked to resources to ensure the council's goals are achieved through a disciplined focus on agreed priorities.
45. The current management structure comprises the Chief Executive and three Corporate Directors for Education, Property and Social Services. The Chief Executive is supported in delivering corporate services by five Assistant Chief Executives (*Personnel; Legal and Protective; Finance; Development and Promotion; Information Technology*). The rationale for this structure is unclear and it does not offer the most effective approach.
46. The present management structure should be reviewed to ensure that it fully supports effective strategic and resource management, meets the council's objectives for change, and best enables the Chief Executive to provide overall strategic direction and challenge.
47. Until recently, the corporate management team has had little discussion of strategic issues or corporate resource management, and limited discussion of the performance of individual services. The new Chief Executive has recognised the need to strengthen and focus the role of the corporate management team.
48. The council has encouraged directors to think across service and activity boundaries by creating three corporate directorates with wide responsibilities (Educational Services – including libraries and leisure; Social Services – including community care and children's services; and Property Services – including housing and former CCT activities such as property maintenance, building cleaning and refuse collection). This has helped to break down boundaries between services in the same directorate; for example, the libraries service works closely with schools and community learning and development.
49. However, there is only limited evidence that the corporate management team works across directorate boundaries in considering resources. Elected members experience some frustration with a continuing

“silo” mentality, despite the creation of larger strategic directorates. This also suggests the need for stronger corporate management.



## Managing finance

50. The council’s finance department actively controls the budget, which is well-managed at both corporate and service levels. External audit reports on the financial stewardship of the authority have been favourable and there have been no qualifications to the council’s accounts. The auditors have identified that the council needs to develop a robust system for identifying and managing significant risks. The council has recently appointed a risk manager to progress this.
51. The council tends to view its budget as largely fixed by existing levels of staffing and services. There has been little redistribution or shifting of resources between policy areas. Where significant new or expanded activities are introduced, these tend to be funded by additional initiative funding from the Scottish Executive.
52. This view of the budget is limiting the council’s ability to think strategically, particularly about whether existing services, and the way they are delivered, are appropriate for future needs. There are few examples of the council ceasing to provide a particular service, or significantly reducing the level of service in any area, in order to shift resources to its priority areas. There is some evidence of long term strategic thinking in relation to the review of older people’s services, but elected members do not seem to have considered the full financial impact of reconfiguring this service, and the need for funding to shift to support the vision for the future.
53. The factors taken into account in setting the budget for 2004/05 provide an illustration of the way the council’s traditional approach to setting the budget may be hampering creative thinking about services (Exhibit 7).
54. Financial performance within services is measured almost exclusively by whether expenditure levels are kept within budgets. No comprehensive exercise has been undertaken to determine whether budgets are appropriate for the level of service being delivered.
55. In general, there is little use of unit costs to demonstrate value for money in services. The finance department needs to promote greater awareness of financial measures of performance across the council.

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## Exhibit 7

### Setting the budget

The factors taken into account in setting the budget for 2004/05 were:

- building on the current level of services
- increasing the financial support of key service developments started in the previous financial year
- funding new initiatives as part of the shared agenda of local and national government
- investing in the development of the Council's infrastructure and systems and addressing the requirements of the Prudential Framework
- providing full support to the Joint Boards, principally Police and Fire for enhancements to their service, and financial support towards the free concessionary travel scheme
- providing 2.5% for pay settlements and providing for the increased costs of pension issues.

*Source: Report to North Ayrshire Council by Assistant Chief Executive (Finance), February 2004*

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### Managing people

56. Staff account for just over 40% of council expenditure and it is important that they are managed well. The council's corporate plan has an objective of getting the best out of the workforce, recognising that the effectiveness and commitment of employees is key to ensuring that high quality services are delivered.
57. The council has a human resources strategy based on recruiting, developing and retaining an efficient and motivated workforce, but it does not provide an analysis of projected staffing needs and how these will be met. Social Services have taken a more active approach to workforce planning, because of national recruitment problems and the future requirements for qualified staff set by the Scottish Social Services Council.
58. There is a staff development system to ensure individual objectives are linked to service objectives. The council is in the process of introducing an appraisal process for the Chief Executive, but it had not set objectives for the newly appointed Chief Executive at the time of the audit. Clearly focused objectives would provide an opportunity to drive change and improvement by cascading corporate objectives throughout the organisation.

### Managing assets

59. The council holds assets worth approximately £500 million. Land and property account for the bulk of this investment. Making the best use of property resources is an objective in the corporate plan, but the lack of a strategy has hindered the council's ability to match its asset base to its objectives. A number of areas of land are currently unused and there is no strategic consideration of office properties held by individual departments.



60. The council recognises the continuing need to develop a more corporate approach to managing assets, particularly property assets, and is in the process of drawing up an asset management strategy. A single asset register is planned, and the council needs to use this to inform a robust review of all its property to ensure that it is being used to best advantage.

## Managing information and communications technology

61. The council has a strategic priority to '*use information and communications technology to enhance...service delivery, and to support innovative methods of service provision.*' The IT service has embraced a wide-ranging role in improving the council's internal business processes and supporting other council departments in the delivery of electronic services to the public. It has been very effective in this. The service also recognises that it has a key role to play in the council's broader social inclusion and sustainable economic development objectives (Exhibit 8).

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### Exhibit 8

#### Building an e-community in North Ayrshire

North Ayrshire Council in partnership with the Ayrshire Electronic Community (AEC) has worked with local communities and businesses to increase access to ICT and the internet. Targets agreed have been met or exceeded. The project has enabled community development, business growth and job opportunities and has helped to bridge the digital divide.

AEC's innovative approach was to provide outreach ICT services to support and encourage the adoption of ICT by individuals, communities and small businesses. The approach involved six key principles to enable social and economic development.

- awareness: initiatives to raise awareness (curiosity matched by a sense of achievement)
- engagement: innovative methodology to engage and retain users and build confidence
- access: provide non-users and the disadvantaged with access to ICT
- skills and training: provide skills and training opportunities and initiatives so that new users are not overwhelmed or confused by technology and to enable progression
- use: the use of ICT must be appropriate and relevant to the user
- impact: must be beneficial to the individual, community or business.

This approach is aligned directly with the Council's e-Community Development Strategy.

*Source: North Ayrshire Council*

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## Sustainable development

62. A council delivering Best Value should consider the social, economic and environmental impacts of its activities and decisions. North Ayrshire's 2001-2004 Corporate Plan and the community plan demonstrate a commitment to sustainable development, in terms of both environmental factors and social and economic development. The council also has a comprehensive Sustainable Development Strategy Statement. The commitment to sustainable development is reflected in service plans to varying degrees.



63. Much of the work of the council implicitly contributes towards sustainable development. However, in common with other local authorities, the council could do more to make explicit the way in which many of its actions contribute to sustainable development. Although there are many strategies and initiatives for sustainable development, as well as guidance promoting its consideration as part of options appraisal, further work is required to increase awareness and to embed consideration of sustainable development issues in the decision-making processes and activities of the council.

## Challenge and improvement

64. Councils need to demonstrate that their operations offer value for money, are competitive and result in high quality services. They should take a fair and open approach to evaluating alternative forms of service delivery to ensure that Best Value is achieved.
65. The corporate plan identifies one of the council's aims as '*to be regarded as an organisation with a reputation for quality and best value*'. Best Value service reviews are one of the key drivers of continuous improvement. A programme of reviews has been in place since 1998. These reviews have led mainly to improvements in existing ways of doing things ([Exhibit 9](#)); and more consideration of significant changes to methods of service delivery could lead to more substantial benefits.
66. The recent review of older peoples' services suggests that the council is beginning to consider more radical approaches to services. Against the projected increase in the older population, the review analysed needs and resources and mapped out existing provision. Homecare services are currently being redesigned to provide more flexibility, with increased coverage in the evening and at weekends.
67. The council has also taken the significant decision to withdraw from the residential care market, recognising that the high cost of in-house provision is unsustainable. Council-owned residential homes are being transformed into intermediate care facilities, intended as short stay provision between hospital and home. This will help to reduce the length of time older people spend in hospital ready for discharge but awaiting suitable care packages. It should also help to prevent some admissions to permanent residential care.
68. An options appraisal was undertaken, but it did not take all options into account. The cost and feasibility of sourcing the proposed services from other providers, or through partnership with the voluntary or private sector was not fully considered. While direct provision of the service by the local authority may represent Best Value, the council must be able to demonstrate this to ensure transparency in its decision making process.

## Exhibit 9

### Best Value service reviews

- *Customer Contact Centre* – the Council has chosen to keep the service in-house but has significantly re-engineered it. This project gained a COSLA Excellence Award. The Modernising Government agenda encourages councils to consider the ways in which they interact with citizens.
- *North Ayrshire Leisure Trust* – formed in 2000 to deliver sports and leisure services in response to lack of capital investment due to budget pressures.
- *Consideration of Housing Stock Transfer* – this was in response to a national policy initiative. The decision was to retain the stock but this is being re-examined.
- *Review of benefits administration* – this followed a poor report from the Benefits Fraud Inspectorate. The in-house service has been reconfigured.
- *Schools PPP Project* – this was in response to a national initiative.
- *Printing services* – these have been outsourced to Xerox.
- *Older People's Services Review* – this is a major strategic review that is ongoing. It is likely to result in significant changes to services, including the transformation of the Council's residential care homes into intermediate care facilities.

Source: North Ayrshire Council, Audit Scotland

69. The council's recent guidance is designed to ensure that reviews include a full options appraisal, so that all means of service delivery are considered. It needs to ensure that this guidance is properly used. Major reviews should provide for challenge from appropriate sources outwith the responsible department. Elected members should provide challenge and ensure that where policy decisions have informed reviews this is clear and transparent.
70. The review of older peoples' services also identified the potential for significant improvement in the quality of the services provided to older people, but we believe the plans for implementation are over-cautious in terms of the proposed timescale. Faster progress would require resources to be shifted from other areas, including other service activities outwith social work that are of less priority.
71. There has been limited fundamental review of former CCT activities, although the operation of the Building Services section was reviewed in 1997 in response to a deficit. Following that review revised working practices led to improved performance, but other options for service delivery, such as partnership working or outsourcing, were not fully considered, and this may have identified greater benefits.
72. The council has not carried out an exercise to identify trading operations but has continued to produce trading accounts where these were formerly required under compulsory competitive tendering legislation. The council's external auditors have recommended that a full review of the council's activities should be undertaken as a matter of urgency.



73. There is little evidence of voluntary tendering exercises to test competitiveness and there is limited use of benchmarking, particularly for costs. The council needs to do more to identify its costs. It currently has no systematic method for identifying efficiency savings arising from reviews; these are generally absorbed within existing services. As a result elected members are unable to determine the best use of the resources released from efficiency reviews.
74. The council does not have a strategic approach to procurement, which is largely devolved to departments. It is a member of the Authorities Buying Consortium (ABC), an organisation formed by a number of West Coast local authorities to benefit from economies of scale in purchasing. A Best Value review of procurement is underway, which will inform the development of a procurement strategy. This has identified that the council makes relatively low use of ABC suppliers, with only 16% of revenue and 1.5% of capital expenditure going through this route. The council considers that for revenue expenditure the proportion could be increased to 66%. The review also identified that a significant amount of staff time is spent on procurement activity; some of this time could be released if ABC contracts were more widely used. Since the audit, a procurement strategy has been drawn up and significant progress is being made on e-procurement.

## Customer care

75. Public services need to be convenient and easy to access. As part of a Best Value review in 2001 the council carried out a survey about people's contact with the council. There was a clear preference for the telephone as the main means of contact, with face-to-face contact running second. The council has responded to these preferences and has drawn up a customer contact strategy based on a Telephone Contact Centre and a network of local offices. The strategy recognises that the low level of preference expressed for the internet reflects the current state of digital awareness, particularly among less well-off and older people, and is using the community learning and development service and libraries to develop IT skills and promote the use of its website ([Exhibit 10](#)).

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### Exhibit 10

#### The customer contact strategy is forward thinking

##### Strategic Overview

1. The Customer Contact Strategy of first point of contact and single point of access, managed as a corporate Customer Adviser Service, must link into other complementary developments within and external to the Council.
2. The Council's Community Learning and Access Strategies will develop the IT skill base in the community, which together with access to computer based technology sited in the community centres and being developed in libraries through the People's Network Programmes, will enable citizens in the community to access the Council through its website. These initiatives are included in the Council's e-government action plan.
3. In addition, the Scottish Executive's current promotion of digital inclusion should also lead to increased usage of the Internet as a channel for obtaining information and services from the Council.

*Source: Customer Contact Strategy, North Ayrshire Council, December 2001*

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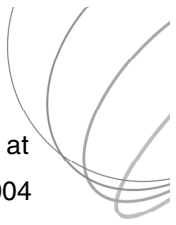
76. The telephone contact centre (TCC) was launched in June 2003 and currently handles calls for cleansing, council tax and general enquiries previously handled by local office services. Business processes are reviewed and re-designed as services are transferred to the TCC. The council achieved a COSLA bronze award in 2003 for improvements to customer service.
77. Performance measures, including customer surveys and benchmarking activity, show that users' experience has improved significantly since the introduction of the TCC. The percentage of calls answered has improved considerably. Around 80% of calls are dealt with at the first point of contact, and peak periods are handled more effectively (for example, the annual council tax billing). The accuracy of call handing is high and customer satisfaction has improved.
78. The success of the customer contact strategy will require that barriers to corporate working are broken down. The migration of services to the TCC has in some cases revealed apparent reluctance by some services to work corporately and this needs to be addressed. In some cases there are concerns about risk management, as in the case of emergency social work services, but the reasons for reluctance are less obvious in other cases. A review is underway to help identify the most appropriate services to be delivered through the TCC in future phases, and this should ensure that decisions are based on business need across the council.
79. A network of local offices supports face-to-face contact. Customer satisfaction is extremely high (99-100%), based on the results of annual surveys and quarterly exit polls. The service has been awarded a Quality Mark Scotland for its self-help information.

### Encouraging equal opportunities

80. A council delivering Best Value services should have a culture which encourages equal opportunities and the observance of legal requirements for equal opportunities, such as the Sex Discrimination Act, the Race Relations Act, and the Disability Discrimination Act. The community plan identifies equal opportunities as one of its seven strategic aims, and this has been adopted by the council in its corporate plan. The council has an Equal Opportunities and Service Provision Policy which aims to mainstream equalities, and a Race Equality Scheme which outlines how the council aims to tackle race discrimination.
81. There are cross-departmental strategies and projects which demonstrate a commitment towards promoting equalities. For example, the council's e-Government Strategy aims to make services accessible to all, and officer groups are working on the Race Equality Scheme and making services accessible to the community.
82. There is little evidence of a consistent approach to equalities issues relating to service users being applied and monitored across the organisation. The council recognises the need to further develop



awareness of the different groups within its community and to mainstream equal opportunity issues at all levels across the organisation. It plans to appoint an Equal Opportunities officer by the end of 2004 to support this, but needs to ensure that this does not result in equal opportunities being viewed solely as an issue for the corporate centre.



## Reporting to the public

83. The council produces a twice-yearly community newspaper (North Ayrshire NOW) which is distributed to all households. Each edition of the newspaper has a pull-out section on performance, and a special edition was produced to report the findings of the recent public survey. However, features in the newspaper tend to focus on the positive aspects of council services, and the report needs to take a more balanced view of performance and include areas for improvement and the action to be taken. More frequent public reports on performance would increase momentum and allow more significant communication flows to local people.
  
84. The council views its website as a key communication tool and is currently changing the look and content of its website following a detailed internal review. A previous independent assessment reinforced the council's opinion that, although the website offered a wide range of information and some interactive services, considerable development was required to make it more customer focused.

# Part 3: How do services perform?



The performance information produced by North Ayrshire Council needs to be further developed to provide an overall picture of the performance of council services. Statutory performance indicators (SPIs) provide a limited picture, which suggest mid-range performance in general, with some specific areas of good and poor performance. There is some evidence of a general improvement trend.

85. Audit Scotland publishes council profiles containing sixty-five performance measures. The council's performance improved by at least 5% on 26 measures between 2000/01 and 2002/03, while only 9 measures worsened by at least 5%. North Ayrshire was ranked in the upper quartile (8th or above out of 32 councils) on twenty-one measures; it was ranked 25th or below on eight.

86. The council ranks particularly highly on four measures:

**education** – 100% of p1 to p3 primary classes have no more than 30 pupils (half of all councils meet this target)

**social work** – 100% of social enquiry reports were submitted to the courts by the due date (nine other councils meet this target)

**environmental health** – 100% of initial noise complaints were dealt with in one day (twelve councils achieved this target)

**environmental services** – the cost of refuse disposal is the lowest in Scotland, at £33.89 per property.

87. It also does well on the following indicators:

**education** - The council takes an average of 16 weeks to complete an assessment of special educational needs, compared to a Scottish average of 25 weeks. The council ranks 5<sup>th</sup> on this indicator.

**social work** – 71% of staff in residential homes for adults under 65 are qualified, compared to 40% for Scotland as a whole. The council ranks 4<sup>th</sup> on this indicator.

**housing** – 55.4% of empty council houses were re-let within four weeks compared to 34.8% across Scotland. The council ranks 4<sup>th</sup> on this indicator.

**environmental services** – 99% of special uplifts of bulky domestic refuse are completed within five days compared to 78.6% for Scotland as a whole. The council ranks 3<sup>rd</sup> on this indicator.

**building control** – 97.4% of completion certificates are issued within 3 days compared to 82.3% across Scotland as a whole. The Council ranks 4<sup>th</sup> on this indicator.



88. Of the eight indicators where the council was ranked 25<sup>th</sup> or below, two relate to processing times for benefits claims. The Benefit Fraud Inspectorate (BFI) concluded in 2002 that the council was delivering an inadequate benefits service. Following the BFI report the council restructured its benefits administration, and considerable operational and procedural changes have been made by the council. Figures provided by the council suggest these changes are leading to significant reductions in processing times. The council needs to sustain this trend. Poor benefits administration can be linked to poor performance in council tax and rent collection.
89. SPI data is considered by the council's scrutiny sub-committees, which take evidence from officers to establish the potential reasons for poor performance and establish a strategy for improvement. Elected members need to do more to use SPI and other performance information to drive improvement in services.

## Individual services

90. In the absence of information on which to make a comprehensive judgement on services, we examined a number of individual services to determine how they are responding to the challenges of Best Value. Services that are likely to make a clear contribution to the council's overarching strategic aim of social inclusion were selected: education, community learning and development, social work, housing, leisure, libraries and economic development.

## Education

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**There is evidence to show that the education service is improving pupil attainment levels. HM Inspectors report that the council has been systematic and thorough in addressing the main points for action identified in their report of 2002**

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91. The education service has a budget of around £139 million and employs the equivalent of 2,369 full-time staff. Schools account for over 90% of the expenditure (£128 million) and around the same percentage of staff. The department also includes libraries, community learning and development, leisure and recreation and arts and culture. The most recent HMIE inspection report was positive, highlighting improvements in pupil attainment and achievement.
92. Education services are inspected regularly by Her Majesty's Inspectorate of Education (HMIE). HMIE reported on the education service in North Ayrshire in 2002 and identified a number of areas requiring improvement. The results of a follow up inspection were published in August 2004. The inspection team concluded that the service demonstrated a capacity for continuous improvement and, as a result of the very good progress made since the initial inspection, no further follow-up visits were required (Exhibit 11).

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## Exhibit 11

### The council's education service had a good inspection report

'There was strong evidence to show that the capacity of the Educational Services in North Ayrshire council to add value to, and ensure continuous improvement in, schools had continued to increase since the original inspection. The improved capacity in the authority to add value to the work of schools was resulting in some clear improvements in pupils' attainment and achievement. ...Educational Services had been systematic and thorough in addressing the main points for action identified in the report of 2002.'

*Source: North Ayrshire council Follow-up inspection report, HMIE /Accounts Commission, August 2004.*

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93. Further details on performance are presented to members in the form of a balanced scorecard report which provides more wide-ranging performance information. The balanced scorecard report confirms the picture of generally improving trends, and includes targets and comparative data from external sources such as similar authorities or national averages. As with other services, the scorecard is undeveloped in terms of financial measures so that no assessment of the cost effectiveness of the service can be made.
94. The performance report for elected members for the year to 31 March 2004 identified the highs and lows for each division of the service as well as immediate priorities for action ([Exhibit 12](#)).

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## Exhibit 12

### School education performance report

The Council identified the following **performance highs** for the year ended March 2004:

- exceeding national percentages in school leavers entering full time courses in higher or further education
- favourable comparison with comparator authorities in SQA examinations and 5-14 attainment
- steady improvement in 5-14 attainment at all stages
- better use of statistical information at authority and school level to improve performance
- increase in number of young people participating in sport and physical activity
- increase in number of young people participating in the arts
- improved attainment for disadvantaged pupils through Early Intervention Initiative
- increased integration of pupils with additional support needs in mainstream schools
- establishment of mainland outreach service from Arran Outdoor Education Resource.

**Performance lows** were identified as:

- level of uptake of CPD opportunities for teachers is lower than anticipated
- level 3 SQA awards in S4 declined from previous year
- secondary school accommodation requires upgrading to meet modern standards.

The service's **immediate priorities** are:

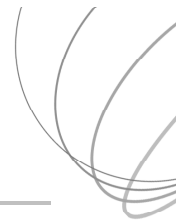
- take forward the PPP initiative and other measures to improve accommodation
- improve Level 3 SQA awards in S4
- increase uptake of CPD courses for teachers
- maintain attainment gains from Early Intervention.

*Source: Report to Education Services Standing Sub-Committee, North Ayrshire Council, April 2004.*

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## Community learning and development

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There is evidence that Community Learning and Development is providing a good service, but it needs to develop better indicators of its performance.

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95. The community learning and development service has a budget of £2.3 million and employs the equivalent of 53 full-time staff. The service's aims are closely linked to the council's overarching social inclusion agenda. Performance information for this service needs to be further developed, but there is some evidence of good performance.
96. As well as equipping people with skills for employment, the service attempts to build 'community capacity' by ensuring that people have access to training in skills that will enable them to participate more fully in community activities and contribute to decisions that affect their lives.
97. An important aspect of this work is providing training to individuals and voluntary organisations to ensure that sufficient people have the skills and confidence to become effective members of voluntary sector management committees. The service works with Social Services to target individuals and communities that would most benefit from this activity; it recognises that it needs to take a more systematic approach in this area.
98. Community learning and development activity is inspected by HMIE. The council's service in the Stevenson, Saltcoats and Ardrossan area was inspected in 2003. The report on the inspection concluded:

'Overall, the CLDS provided a good service to the communities of Stevenson, Saltcoats and Ardrossan. The service offered young people and adults a variety of opportunities to develop their skills, abilities and to find employment....Partnership work was being developed at both community and strategic levels.'
99. The report went on to highlight key strengths including 'the attitudes, commitment and values of staff in engaging learners in disadvantaged communities'. The main points for action identified by HMIE are broadly reflected in the immediate priorities identified in the service's performance report for the year ended 31 March 2004 ([Exhibit 13](#)).
100. The service has a balanced scorecard in place. A set of Key Performance Indicators (KPIs) has been developed which will, in time, provide trend information. The service needs to develop KPIs that more fully reflect the complexity of the service. It also needs to identify external comparators for the KPIs. Financial performance information needs to be developed.



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## Exhibit 13

### Immediate priorities for community learning and development

- improve ability of service teams to plan and evaluate their work
- more systematic approaches will be introduced to the branding and marketing of provision for young people to increase uptake
- individual learning plans will be developed more systematically to help ensure more effective learning outcomes and progression for learners
- a systematic approach will be developed to the delivery of training and support programmes for community organisations within the area.

*Source: Report to Education Services Standing Sub-Committee, North Ayrshire Council, April 2004.*

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## Social services

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**As a result of the efforts of senior management, there is a clear vision for how social services will improve and meet the challenges of Best Value. It is difficult to get an overall view of the current performance of social services but the department is working hard to further develop management information on performance.**

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101. Social services had a gross budget of £64 million in 2003/04. Community Care accounts for £47 million, Children and Family Services for £15 million and Criminal Justice for £2 million. The department employs the equivalent of 1,114 full-time staff. Statutory performance indicators present a mixed picture of performance. However, the service has a strong improvement culture, driven from the top. Strategic reviews of services for older people, children, and adults with learning disabilities should improve performance in these key areas of service.
102. The department has undergone a prolonged period of structural and cultural change, moving from a generic, area-based service to a service based on specialist expertise. During this period the Director introduced a cultural shift towards better strategic planning and performance management. This is strongly linked to a clear vision for the service based on helping people to maintain their independence and supporting the different choices they make. There is now a strong focus on performance management within the department.
103. The impact of the cultural changes within social services can be seen in improved service plans containing more specific action plans, although these could be more fully integrated with the service's performance reports and balanced scorecard.
104. The service is developing good management information, although in common with social work services nationally, more and better information is needed on quality and outcomes. The quality and extent of performance information has improved significantly since 2001/2002 when 5 of the 12 SPIs for the service were classed as unreliable.



105. Performance reports presented to the social work senior management team contain detailed narrative providing context and explaining the significance of the statistical information. The department should adapt this for use in reports to elected members and for reporting to the public on performance.
106. The service is committed to continuous improvement. This is reflected in the key priorities identified by the department ([Exhibit 14](#)).

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## Exhibit 14

### Key priorities for Social Services

Immediate priorities identified for the service include:

- continuing to focus on workforce planning
- addressing the demographic challenges, including an ageing population and increased substance misuse
- meeting the demands of the Care Commission in relation to registering services and meeting national standards of care
- continuing to improve services through formal service reviews, as well as on-going audit and evaluation of services
- meeting the challenges of jointly working with partners to plan and develop services, particularly seeking to develop an outcome focused approach to joint working
- continuing to develop our performance framework, which should include developing and publishing agreed standards of practice and monitoring performance against these
- implementing the Local Partnership Agreement for Older People's Services
- implementing the Local Partnership Agreement for Adult Services.

*Source: North Ayrshire Council*

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107. Social services across Scotland face a major challenge in recruiting, training and retaining enough staff to meet the demand for services. The department has taken effective action by working with the local college and linking into work done under the Better Neighbourhood Initiative Fund by providing work experience for unemployed people. It has also worked with the economic development service to access EU funding to develop the skills of the social care workforce. This also addresses the council's social inclusion objective.
108. Another identified priority is shifting the balance from providing care in hospitals and residential homes to supporting people in their own homes. The council's figures suggest that there has been a reduction of approximately 10% in the number of older people supported in care homes since 2001/02.
109. The flexibility of home care services can be a factor in maintaining people in their own homes, and SPI information shows a rising trend in the number of homecare clients receiving a service in the evening and at weekends. The council identifies under-provision of homecare in comparison with



national rates as a performance low, together with the slightly lower provision of homecare at weekends. Revisions to contracts for homecare workers, arising from the strategic review of older people's services, should help the authority to further improve its performance in this area.

110. The council has continued to shift the balance of care for looked after children, with a higher proportion looked after at home than the national average. Shifting the balance of care away from residential care remains a priority for the service, although there may always be some children who will benefit from care in a residential setting or for whom it will be difficult to find a suitable community placement.

111. The service is responsive to reports by external scrutiny bodies. These are generally considered by the scrutiny sub-committee, and officers are questioned about actions taken in response to recommendations. The council prepared a detailed action plan following poor results highlighted in Audit Scotland's study of youth justice services<sup>1</sup>. It also responded positively to recommendations in the Audit Scotland study 'Commissioning Community Care Services for Older People'.

## Housing

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**The housing service is well managed and focused on improvement. The council recognises that the high level of rent arrears needs to be addressed.**

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112. North Ayrshire council owns and manages over 15,000 properties. The service has a gross budget of £32 million and employs the equivalent of 214 full-time staff. With the exception of rent arrears, which are high compared to other councils, the service performs reasonably well on statutory performance indicators. Steps have been taken to address poor performance in providing homeless people with council furnished dwellings.

113. During 2001 a strategic service review looked at options for the service and the council decided to pursue a stock retention strategy for an initial period of three years. The housing service is undertaking an assessment of the cost of meeting the Scottish Housing Quality Standard and the impact on rents. This will inform the council's housing stock strategy.

114. The service is well managed and focused on improvement. There are plans detailing the aims and objectives of each area of the service along with targets, timescales and responsibilities.

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<sup>1</sup> 'Dealing with offending by young people – a follow-up report' Audit Scotland, November 2003.





115. A strong performance management framework exists and comprehensive performance reports are considered at monthly management meetings. Elected members receive informative and timely reports. These follow the corporate style, showing performance highs and lows and immediate priorities. Housing reports provide particularly good contextual information explaining the significance of the identified performance highs and lows (Exhibit 15).

116. Performance reports link the service's activities with the community plan vision of North Ayrshire as a prosperous, safe and environmentally-friendly area, inhabited by a caring and healthy community within decent, affordable housing. Housing services obviously contribute to this vision, but there is a lack of specific and measurable targets to assess progress.

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## Exhibit 15

### Housing performance reports provide some good contextual information

#### Performance highs

- New void policy & procedures were introduced in January 2003 and were developed jointly with Building Services with the aim of improving our re-let performance on void properties. At the core of these procedures were new challenging targets for Building Services to repair a void property and a new targeted approach to lettings. We now make maximum use of the notice period and ensure that pre-allocation is the norm. This has been a success. In 2001/02 we let less than 5% of houses in less than two weeks. In 2002/03 the figure was 23% and by end of March 2004 56.3% of all void properties had been let in less than 2 weeks. We are now one of the top performing local authorities in Scotland.
- Section 11 of the Housing (Scotland) Act 2001 introduced the new Scottish Secure Tenancy (SST) for tenants of local authorities and registered social landlords. From 30<sup>th</sup> September 2002 all tenants were entitled to the statutory rights of the new SST. The Scottish Executive also recommended that all landlords introduce a new tenancy agreement and get all tenants to sign this. This is a major exercise and at the end of March 2004 we had made contact with over 81% of tenants to sign this agreement.
- Homelessness:
  - policy and procedure manual produced;
  - expanded support, advice and assistance to homeless and potentially homeless applicants;
  - a further two temporary furnished accommodation units provided by end of March 2004, bringing the total to 91.

#### Performance lows

- Performance on rent arrears – reduced from 14.9% in 2002/03 to 12.3% by end of March 2004. Although within our target, this figure is significantly above Peer Group average.
- There continued to be a large volume of homelessness presentations, accentuating the need to further develop prevention services, building upon what has been put in place to date.

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*Source: Report to Property Services Standing Sub-Committee, May 2004, North Ayrshire Council*

117. There is evidence that the service is open and responsive to change. This can be illustrated by the arrangements to replace temporary bed and breakfast accommodation for homeless people (Exhibit 16). This has significantly improved the council's performance. The service has a clear commitment to joint working and has a track record of working with other services within the council and with external partners.

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## Exhibit 16

### Addressing homelessness

Each of the Council's network of Area Housing Offices have staff trained and experienced in dealing with homelessness who provide a locally based service sensitive to the needs of its clients.

During 2001 the Council secured an additional funding package from the Scottish Executive to provide additional temporary accommodation and minimise the use of bed and breakfast accommodation. There are now 90 such tenancies throughout North Ayrshire, which are used to provide emergency accommodation in a comfortable living environment. This provision complements hostel accommodation in which 24 hour support and security is offered directly by the Council and in partnership with Cunninghame Housing Association. The START Project, which was funded from the Rough Sleepers Initiative, is now well established in its base in Dreghorn and provides support to customers at risk of sleeping rough helping them secure and maintain accommodation and linking to other services such as health, education and training. The START project is currently under review to ensure that resources are being utilised effectively in order to minimise the risk of rough sleeping.

Two purpose built projects dealing with young single homeless people and providing good quality accommodation and on site 24-hour support were opened during 2002. Again the Council is working in partnership with local Housing Associations and specialist providers to improve the level and range of services offered.

A further development within 2002 was the creation of a new family's project, developed in conjunction with Barnardo's. The project aims to support children and families through the often traumatic experience of homelessness and assist in the resettlement into a new community.

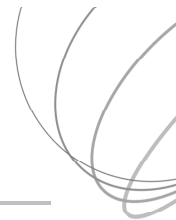
*Source: Housing Service Plan 2004-2007, North Ayrshire Council*

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### Housing repairs

118. Requests for repairs to council houses are dealt with by Building Services. A dedicated repairs telephone contact centre provides a 24 hour service seven days a week. Business processes have been reviewed and re-designed, and the service performs well in responding to repairs requests.

119. Performance against target timescales is good: over 99% of repairs made by appointment and emergency repairs were delivered within target; and over 90% of routine and urgent repairs were delivered within target. The council needs to consider how this service will integrate with the corporate customer contact strategy, and ensure that lessons learned from service redesign are fed into the Telephone Contact Centre.



**Attendance figures for leisure are improving but are low compared with other councils. The council needs to do more to monitor its funding arrangements with the arms' length leisure trust and ensure it is responding effectively to council policy priorities.**

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120. In 2003/04 the council contributed almost £4 million to North Ayrshire Leisure Ltd (NALL), an arms' length trust set up by the council to provide sports and leisure services. Attendance at leisure facilities is improving, but is still low compared with other councils.
121. The decision to externalise the leisure service was taken in response to financial pressures and falling attendances. As a charity North Ayrshire Leisure Ltd benefits from non-domestic rates relief, and it has attracted funding from a number of sources not available to the council, primarily on a project by project basis. The council's contribution has increased each year, although the proportion of turnover this represents has fallen.
122. A funding agreement exists between the council and the trust. NALL submits an annual business plan to secure annual funding, identifying the context within which the trust operates, the contribution it makes to the objectives contained within the community and corporate plans, and its own aims and objectives. The business plan also details performance trends and forecasts.
123. The process for agreeing funding appears to be driven by objectives set by NALL, rather than objectives set for it by the council. The council needs to play a more active role in setting the agenda for the considerable amounts of funding awarded to NALL. The council should also regularly review its agreement with NALL to ensure that it continues to represent the best option for achieving its aims for leisure services across North Ayrshire.
124. Sports and leisure facilities can contribute to the community plan's aim of promoting health and wellbeing, but there is an absence of specific and measurable targets to assess progress. Attendance at NALL facilities overall has increased since 2000, but performance on statutory performance indicators is low compared to other councils. NALL has responded by changing the services it provides; for example, health and fitness studios have been set up in leisure centres, and attendance has increased in all of them. Attendance at sports development events increased by over 128% between 2000/01 and 2003/04.
125. The performance report to elected members for 2003/04 identifies service highs and lows and immediate priorities ([Exhibit 17](#)).



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## Exhibit 17

### Leisure services' performance report

#### Performance highs

- improvement in visitor numbers to sports facilities through the development of health and fitness at the Magnum Leisure Centre. Auchendarvie Leisure Centre, Vikingar and Garnock Swimming Pool
- improvement and upgrading work at several premises, partly financed by partnership funding
- establishment of body and skincare services in November, 2003.
- involvement in Activate North Ayrshire providing sports activities in schools and linked to the community.

#### Performance lows

- some aspects of facilities require to be refurbished or developed
- there is a need to improve the existing provision of sports pitches.

#### Immediate priorities

- further investment in upgrading of facilities eg Vikingar, development of children and family area at the Magnum, improvements to customer reception areas in Auchendarvie Leisure centre and Garnock Swimming Pool
- continue the developments of IT systems and extend to include golf courses
- work with partners to develop a strategy for provision and development of sports pitches.

*Source: Report to Education Services Standing Sub-Committee, North Ayrshire Council, April 2004*

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126. NALL carry out customer surveys and benchmarking to assess the quality of services.

Customer satisfaction levels have improved for changing facilities, general cleanliness, parking and staff helpfulness, but satisfaction has declined on publicity information and individual attention. The service was identified as being among those most in need of improvement in the recent residents' survey and this may be partly attributable to the need to upgrade some facilities. This is recognised by the council. The recently approved North Ayrshire Sport and Leisure Strategy addresses the issue as does the council's capital funding plan.



## Library and information services

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**The library service performs well and was rated highly by the residents' survey. It works closely with the community learning and development and IT services to address the council's social inclusion agenda.**

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127. Library and information services has a budget of £3.3 million and employs the equivalent of 71 full-time staff. The service performs reasonably well on statutory performance measures. It is innovative in its use of IT and promotes digital inclusion, while maintaining a focus on reading.
128. SPIs relating to learning access points and the use of computer terminals are significantly better than the Scottish average. The 'people's network' is well established in the council's libraries and provides free access to the internet for all residents. Lifelong learning is supported through the provision of courses, in particular on the use of IT, and materials in the form of books and on-line resources. The service is well integrated with the community learning and development service. There are learning centres in libraries, and individual learning plans are held on-line for students.
129. The council is unusual in having full libraries in all its primary schools, reflecting Educational Services' responsibility for the library service. The service encourages reading by the use of a web-site for young people called 'Booksp@ce'. The site is well designed and also encourages young people to develop IT skills.
130. The service performance report for 2004 reflects how the service is responding to the challenge of maintaining libraries as an important community resource ([Exhibit 18](#)). The creative use of IT means that internet activity is closely related to the development of reading and research skills. The service demonstrates a clear focus on continuous improvement. The recent residents' survey conducted by the council showed that libraries have the highest satisfaction rating of all council services at around 70%.
131. The council has considerably reduced the time it takes to deal with library book requests, from 29 days in 2000/01 to 11 days in 2003/04. The council has also added to its lending stock for both adult and children at a rate above the Scottish average.

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## Exhibit 18

### Library and information services' performance report

#### Performance Highs

- Improvement in all statutory performance indicators for 2002/03.
- Positive performance compared with Scottish targets and comparator authorities.
- Implementation of the People's Network to support the Community Learning Strategy.
- Development of the Online website to support Libraries, Learning and the Education Resource Service.
- Development of the Primary School Library Improvement Plan.
- Launch of Booksp@ce, a web-based reading initiative.
- Effective development of management information systems through the Talis library management system.

#### Performance Lows

- Poor internet access speed and technical failures have resulted in many complaints and impacted on the new SPI: no. of times computers are accessed per 1,000 population.
- Delay in publishing the library catalogue on the Internet until migration to the 45MB line is achieved.

#### Immediate Priorities

- Creating a strong culture of reader development in libraries for adults and children with a strategic focus on design and presentation, supported by a refurbishment programme funded from the capital programme.
- Sustaining and improving the People's Network infrastructure.
- Publishing the library catalogue on the internet and moving towards further E Government targets: online transactions including book renewal and reservations.
- Continuing commitment to create increased Community Learning provision, both extending First Step Learning opportunities and creating opportunities for progression and referral to partners.

*Source: Report to Education Services Standing Sub-Committee, North Ayrshire Council, April 2004.*

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## Economic development

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**The council recognises that economic development is a vital activity for North Ayrshire, but more evidence of its performance and impact is needed. Without comprehensive performance information an assessment of overall performance cannot easily be made.**

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132. North Ayrshire Council's economic development function is part of the Development and Promotion Service. The service has a gross revenue budget of £1.5 million, and employs the equivalent of 17.6 full-time staff. The service needs to engage with the Best Value review process and develop more comprehensive performance information.

133. The economic development service is organised to contribute to the vision and strategic aims of the community planning partnership and North Ayrshire Council ([Exhibit 19](#)). The nature of economic development demands a considerable amount of joint working. The service recognises the potential



for duplication of effort across partners operating in this field and has stated a strong commitment to avoiding this wherever possible.

134. The service could improve its performance by reviewing its operations and activity in a more systematic way. Customer relationship management, service planning, performance management and other processes need to be improved to ensure that the activities of the service have the maximum effect.

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## Exhibit 19

### The main objectives for economic development

To provide primary support to strengthen the social and economic prosperity of North Ayrshire.

To integrate actions at national and community level by a multi disciplinary team incorporating demographic and economic research, economic development, business support, community economic development, European affairs and special projects. The service seeks to:

- maximise wealth creation, improve job numbers and quality
- secure access to opportunity for all the area's people
- to diversify and strengthen the North Ayrshire company base.

The service commits to three key areas – our people, our businesses and our infrastructure.

Involvement in skills development, environmental improvements and economic development contribute to the other strategic aims namely community participation, the environment, lifelong learning and equal opportunities.

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*Source: Economic Development Services Performance report: Year ended 31 March 2004.*

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135. The service plan shows the aims and objectives of each area of its operations and has established some targets and timescales, but it does not clearly identify who is responsible for delivery. While performance measures are in place for some aspects of the service, these need to be more comprehensive.

136. The service has a customer focus but recognises the need to make improvements in this area, particularly in customer relationship management. Internal communication and information management need to improve to ensure customers are dealt with in a joined up way.

137. The service produces the North Ayrshire Directory of Information and Research (NADIR) containing a range of social and economic analyses of the area. This is used to inform service planning across the council. It includes information on local unemployment, population projections and poverty indicators drawn from national statistical sources. A user survey indicated that, in addition to the Development and Promotion Service, Education, Social Services, and Housing were the most frequent users of the information. NADIR received a 98% user satisfaction rating. The service carries out a range of other customer survey activity, including an assessment of Business Support Services which showed an 88% satisfaction rating.



138. The service works with a number of external partners to achieve its goals and secure external finance (Exhibit 20). The benefits of these partnerships are evident in the proposed Clydeport development at Hunterston and the re-generation of Ardrossan Harbour. The use of the North Ayrshire Trust and North Ayrshire Ventures has enabled a range of private sector partnerships to be engaged in a number of projects.

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## Exhibit 20

### Joint working by economic development

- Over 20 partnership/joint working supported by Economic Development Service ranging from national involvements (Working for Families Fund, Business Gateway) to regional (Economic Forum, West of Scotland European Partnership, Highlands and Islands Special Transition Programme) sub regional (Ayrshire and Arran Tourist Board, Leader Plus European Programme) and local (BNSF, NASIP, Town Centre Partnerships). In addition joint working with other Council Departments has increased with joint training/ jobs access projects in association with Social Services, Education Services and Property Services.
- Partnership working supports our aim to seek to maximise additional resources for the North Ayrshire area.
- Preliminary work being done to allow measurement of partnership participation and effectiveness of activity.

*Source: Economic Development Services Performance report: Year ended 31 March 2004*

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139. The service has not undertaken any fundamental service reviews. Projects tend to be reviewed on an individual basis and reviews are often driven externally, linked to funding requirements. An overall review might identify scope for efficiencies from better linkages.

140. The service reported to members on performance using the standard performance report identifying service highs and lows (Exhibit 21). However, the areas identified as being in need of improvement are extremely limited and are unlikely to represent the full picture.





## Exhibit 21

### Performance report for economic development

#### Performance Highs

- 424 company assists and 479 employee beneficiaries assisted representing 23% above target number of company assists and 1.3% increase on beneficiary targets
- securing over 1.78 of match/support funding for labour market intervention programmes, community economic development, business support – achieving 100% success rate in applications submitted
- delivery of three sea based events delivering an economic impact equivalent to 11 full-time equivalent jobs in the local economy with a public to private expenditure ratio of 1:23
- launch of 3 business support initiatives targeting 90 companies
- launch of EU supported EQUIP programme to assist in the removal of barriers to those seeking to enter the jobs market
- implementation of Business Gateway and assistance with launch of Ayrshire Food Network
- customer survey results showing performance improvements.

#### Performance Lows

- temporary delay in delivery of community economic support due to winding up of external service delivery agent (Developing North Ayrshire)
- staff vacancy (Research & Intelligence Team).

*Source: Economic Development Services Performance report: Year ended 31 March 2004*

## Joint working

141. The modernisation agenda for public services means working in partnership to ensure better, more efficient services focused on the needs of service users. The council intends that the community planning partnership should provide the framework for its joint working arrangements, but the partnership is only just beginning to drive joint service delivery. Current joint working arrangements were largely developed outwith community planning, although many are now being harnessed within it, such as work with the local further education college and voluntary sectors on community learning and development.
142. The council's social inclusion objective, together with the social and economic circumstances of the area, make social services an obvious focus for joint working. The Council Leader and the Director of Social Services are clear that social work clients are at the core of the council's social inclusion agenda. But, at the time of the audit, the council had not articulated the role of the service, or other services such as education, in contributing to its social inclusion goal, and the impetus for joint working largely comes from within departments rather than from the corporate centre. There is a risk that the objectives of individual services are not fully integrated with those of the community planning partnership and the council as a whole.
143. [Exhibit 22](#) provides an example of the positive impact that joint working can have on outcomes for service users.

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## Exhibit 22

### Making a difference through joint working

John is a young person aged 16 years with significant health, personal care and communication needs. His complex needs put him in danger of becoming isolated from people his own age and from his community in general. His age means that he is coping with the transition to adulthood in difficult circumstances and requires additional support at this difficult time.

His mother took part in 'person centred planning' awareness training, organised by Social Services, to help her understand how services could be planned around John's needs and preferences. A sign language interpreter was engaged to help John express his views.

John and his family's care and respite needs were considered by a multi-agency forum consisting of representatives from social services, education and health. An integrated assessment of John's needs was completed and a care plan was agreed. John's views were taken into account throughout this process. As well as medical and personal care needs, John had social, psychological and educational needs to be met.

One of the key outcomes for John has been his involvement in the Muirfield Outreach Experience (MORE) project. This supports young people to take part in an activity of their own choice in their local community. Prior to this John had no informal links, other than family, within the community. Attending a weekly youth club for people with hearing impairment has been important for his self development.

A befriender was identified for John and is actively supporting him. A college place has been identified for him and a transition plan has been drawn up which identifies an appropriate support network.

Joint working between social services, education, a further education college and the voluntary sector has enabled a suitable care package to be put in place. This has brought about more independence and an improved quality of life for John and his family. His family have requested a direct payment to give them more control of the services he uses.

*Source: North Ayrshire Council; Audit Scotland (Name changed to preserve confidentiality)*

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144. In common with many councils, North Ayrshire does not have a system to capture and record the benefits of joint working in terms of improved outcomes for service users, and service improvements may be under-reported.
145. It is particularly important that social services work closely with NHS bodies. The arrangements for joint working between the NHS, social work and housing are assessed annually under the Joint Performance Information and Assessment Framework (JPIAF). The latest review found that the partnership between the council and local NHS bodies needed to take rapid action to progress arrangements for joint services. This is an issue that will need to be addressed by local health services as well as North Ayrshire Council.
146. The evaluation team found that work on joint organisational development, training and human resource arrangements were well progressed, but that there was only a limited amount of jointly managed or jointly delivered community care services. Reasonably good arrangements were in place for health, social work and housing to produce a single shared assessment of older people's needs. However, further progress was needed on single shared assessments for people in other care groups.

# Part 4: What needs to improve?

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Continuous improvement in public services and local governance lies at the heart of Best Value and Community Planning. Officers and members must focus on key policy objectives and the needs of service users and communities, driven by a desire to achieve the highest standards in service delivery.

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**North Ayrshire Council's plans to respond to the requirements of the Local Government in Scotland Act 2003 cover most of the key corporate actions that are needed. Elected members need to articulate a clearer vision for service development under Best Value and link their corporate objectives more clearly to local issues.**

**The council needs to maintain the impetus for change demonstrated by the introduction of a comprehensive performance management framework. It needs to continue to develop this framework to ensure that clear targets are established, linked to corporate and service plan objectives. Measures of service quality and cost need to be further developed, together with targets that are specific and measurable.**

**The council needs to do more to challenge itself about its use of resources and the performance of its services. It needs to be more open to alternative ways of doing things, including working with private and voluntary sector partners.**

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## Developing an improvement culture

147. Continuous improvement in public services and local governance lies at the heart of the Best Value and Community Planning policy framework. Elected members and officers must focus on key policy objectives and the needs of service users and communities. This requires a culture where areas in need of improvement can be identified and openly discussed and in which service performance can be constructively challenged.

148. North Ayrshire Council has an open and candid culture where constructive challenge can take place. However, the level of challenge is not yet sufficiently vigorous to bring about fundamental change within the council.

149. The council is responsive to the national agenda, and to external pressures such as the results of audit and inspection reports. The council needs to become more proactive in setting its own agenda and planning for the future, rather than reacting to events. There is a danger that in the absence of external pressures the impetus for change is lost.

150. The willingness to address fundamental change is more apparent in some departments, such as social work and housing, than in others. The council does not have a corporate approach to support organisational learning and development. The positive outcomes from changes within individual



services, or lessons learned when things go wrong, are not shared across departmental boundaries. A more effective corporate management team will help to address this.

151. The council has identified for itself many of the things that need to improve, and further areas for improvement were highlighted during the audit process. The key areas for improvement agreed following the audit are listed below. The council is finalising an Action Plan to address these. Progress on this and the council's overall improvement plans will be monitored by the local auditor over the course of the next three years.

### Improvement Agenda for North Ayrshire Council

- elected members need to develop their strategic, directive and scrutiny roles
- the council needs to continue to drive the community planning partnership to set specific measurable targets and start delivering real service improvement
- an appraisal system for the Chief Executive and directors needs to be developed that will link with corporate objectives and specific improvements to services and internal management
- the role of the corporate management team needs to be more strategic. It needs to act as a forum for challenge and promote organisational learning
- the senior management structure needs to be re-examined to ensure it properly supports the council's business processes
- financial and other resources need to be fully aligned with the council's identified priorities
- the council needs to demonstrate that review and options appraisal processes take full account of all methods of service delivery and that decision-making processes are open and transparent, clearly explaining the rationale behind the choice of service delivery vehicle
- mechanisms for demonstrating value for money in service delivery need to be developed, including quality and cost performance indicators, benchmarking and increased use of voluntary tendering where a commercial arrangement has been maintained
- the performance management framework needs to be further developed with more robust baseline data established for all services as soon as possible
- public performance reporting needs to improve in line with statutory guidance.



# North Ayrshire Council

## The Audit of Best Value and Community Planning



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