

Dundee City Council

The Audit of Best Value and Community Planning

Prepared for the Accounts Commission

October 2005

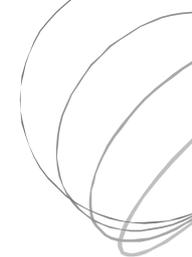


[Audit Scotland](#) is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. It provides services to the Auditor General for Scotland and the Accounts Commission. Together they ensure that the Scottish Executive and public sector bodies in Scotland are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



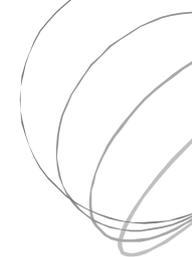
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Commission findings

1. The Commission accepts this report on the performance of Dundee City Council's statutory duty 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 and that it does not attempt a comprehensive review of all service delivery. We acknowledge the co-operation and assistance given to the audit process by members and officers of the council.
2. The Commission recognises that Dundee City Council faces a series of complex challenges as a result of the social and economic circumstances of its area. The council has shown that it has a commitment to regenerating the city and that, in some parts of its business, it is capable of achieving improved performance without always relying on additional resources. It has strengths in partnership working, has made good progress with Community Planning and benefits from a strong track record of working with local people. However, the Commission has concerns that there are issues which the council must address if it is to be in a position to deliver Best Value:
 - The lack of an effective scrutiny process by elected members which is largely attributable to the fact that all 29 members sit on all 13 committees this makes the independence of view essential to the scrutiny process difficult, if not impossible, to achieve.
 - The consistent focus on policy making in private session raises concerns about transparency.
 - The need to improve strategic management in a planned way in order to achieve appropriate structures, both at elected member and officer level, and by not simply reacting opportunistically to personnel and political changes.
 - The need to relate systematically the council's policies and priorities to the resources available in order to strengthen its capacity to deliver Best Value.
 - The adoption of blanket policy commitments which, taken with pressures on resources, from a declining population/tax base and growing demand for services, severely limit the achievement of Best Value for the people of Dundee.
 - Corporate processes which do not adequately support performance management.
3. Overall, the picture is one of contrasts between areas of council activity that have modernised, are successful and are committed to improvement, and other areas which are lagging behind. The Commission is concerned that these issues which relate largely to the corporate centre of the



organisation at member and officer level, need to be addressed to achieve continuous improvement in service delivery.

Performance issues highlighted in the report include:

- high staff absence levels, particularly among teachers
 - deteriorating performance in some aspects of children's services and adult social work
 - high cost of council tax collection coupled with a poor collection rate
 - educational attainment below national and comparator authority averages
 - slippage of the Public Private Partnership Scheme for new school building and school improvement
 - measures of home care provision are in the lowest quartile of national figures
 - high percentage of roads that should be considered for repair and spending on structural maintenance.
4. The Commission welcomes the council's recognition of areas in which improvements need to be focused and looks forward to receiving by 31 October 2005 an Improvement Plan from Dundee City Council which responds to the audit report and these findings. The Commission expects the council's progress to be monitored through the normal audit process and will pay particular attention to this aspect of any reports by the auditor over the forthcoming years.



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 Dundee City 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 local 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 coverage in others. While we have made some comparisons with other councils, our overall approach has focused on performance trends and improvement within Dundee City Council. The report also reflects the picture available at the time our main audit work was conducted between March and May 2005.

We gratefully acknowledge the cooperation, assistance and hospitality provided to the Audit Team by Councillor Jill Shimi, Leader of the Council; Alex Stephen, Chief Executive; Grant Anderson, Policy Manager and all other elected members and staff involved. We are also grateful to the representatives of community organisations and the council's external partners who kindly agreed to participate in the audit.



Overall conclusions

Dundee City Council has had considerable success in regenerating its area in the face of complex social and economic challenges. It demonstrates a strong commitment to engaging with its local communities. Council services generally perform well, but some have been deteriorating. The council considers that pressure on its funds is a critical issue, but it needs to do more to demonstrate that it is achieving Best Value from its use of resources. There is potential for the council to deliver greater benefits for Dundee through improved corporate management and more effective integration across the organisation.

1. Dundee City Council faces a series of complex challenges as a result of the social and economic circumstances of its area. These include:
 - the loss of traditional industries over the years
 - acute levels of social deprivation
 - a major and continuing decline in population
 - a poor housing mix
 - pressure on financial resources.
2. In addressing these difficulties, the council has shown a commitment to regenerating the city and to empowering local communities, helping to bring about real change and service improvement. The economic position of Dundee is improving through modern scientific industries and enhanced retail and cultural sectors. The physical environment is being transformed and visitors are presented with an exciting and attractive city centre.
3. The council has ambitious plans, is well advanced in assimilating the national policy agenda and has made good progress with community planning. There is a clear vision for the future that is supported by stable political management and leadership. Alongside this, the council can demonstrate a strong commitment to getting the best out of partnership working with other public and private sector bodies.
4. When local government reorganisation established Dundee City Council in 1996, the city's administrative boundaries were contracted and its population fell. The new council's budgets did not match the levels of service and staffing that it inherited from the regional structure. While this was not a unique situation in Scotland, and it was eased for the first two years through the 'Mismatch Transitional Scheme' agreed between CoSLA and Scottish Office Ministers, it put a strain on managing services and resources and created circumstances in which significant redistribution of resources within the council was required.



5. Although significant issues such as council tax stability have been addressed, it is not clear that all opportunities have been taken by the council in the period since local government reorganisation to address this situation. Effective use of Best Value processes would assist, but while there is evidence in Dundee that the principles of Best Value have been accepted and are supported in many areas of activity, their application in certain key areas needs to be improved.
6. The council continues to see its funding and resources position as a critical issue, suggesting that it limits the potential for significant improvement. The council's argument would be strengthened considerably if it were able to demonstrate that it has taken all opportunities to maximise the benefit it achieves from its existing resources. However a number of matters need to be addressed before this can be achieved, including:
 - Better links between the council's budget and policy / service planning processes would assist the effective distribution of resources across services in line with council priorities.
 - Improvements to systems that monitor efficiency would increase the capacity to manage resources with a view to achieving Best Value across all service activities.
 - More robust service reviews and option appraisal would have greater impact on efficiency and stimulate more significant change.
7. Improvements in performance do not always rely on additional resources, and there are examples of this being achieved at a service level in Dundee. Use of business process review techniques contributed to the average time taken for a community care assessment being reduced from 68 days to under three days. More use of techniques such as this, particularly if championed by corporate management, has the potential to release significant efficiency savings and improve service quality.
8. The council is politically stable and leaders share a common vision for the city. As is the case in other councils, elected members need to strengthen their role in scrutinising the council's performance, and there is also a need for more transparency around the decision-making process of committees. A number of council policy positions, such as maximum rent and council tax increases and no redundancies, are difficult to sustain in the context of the council's concern about pressure on financial resources.
9. The Council Management Team (CMT) needs to be more focused on performance management from a corporate perspective. Management restructuring has occurred where opportunities arise and an incremental approach has been preferred. The chief executive would like to slim the structure down further where cost effective options are identified; this should be based on a clear and logical analysis of customer needs and organisational efficiency.



10. Council staffing levels are relatively high, and absence rates are above the Scottish average. These issues require more effective corporate intervention to ensure service responses are consistent and effective.
11. Community engagement with the council is strong, but there is scope for it having greater influence on wider strategic processes such as Community Planning and more impact on service improvements. There are encouraging signs that customer care has become more important, and the council is improving its approach to customers through increased use of Information and Computer Technologies (ICTs).
12. Council services are generally performing well. Some areas, including housing repairs and community care assessments, are improving, but there is some deterioration in performance in other areas, including benefits administration and staff absence. There is variation in trends between council departments but also within services. The CMT and elected members have a corporate responsibility to establish continuous improvement in standards across all services and to ensure that where improvements are required, effective action is taken. The council recognises that it could achieve more through a Best Value Improvement Plan.
13. The council's overall approach to continuous improvement is positive but this is not consistent across all aspects of service delivery. There are many good examples of achievements for the city and its people, but much more could be achieved through tighter corporate management, more effective integration across services and a more strategic and systematic approach.
14. There are a number of key areas in which improvements need to be focused; the council has identified many of these itself. The key areas include:
 - Transparency of policy consideration and debate.
 - Elected members' role in performance monitoring and review.
 - Corporate management.
 - Links between service planning and budgeting.
 - Human resources and staffing levels.
 - Financial reporting.
 - Council structures.
 - The impact of Community Planning.
 - Sharing best practice across the council.
 - Sustainable development and equal opportunities.



Part 1: Does the council have clear strategic direction?

The council has a clear vision for the future that is shared across the political parties and by its partners. It has a strong track record of working with local communities and has taken a systematic approach to defining needs with them and with its planning partners. It has ambitious plans, but its financial position will require new ways of working if these are to be delivered.

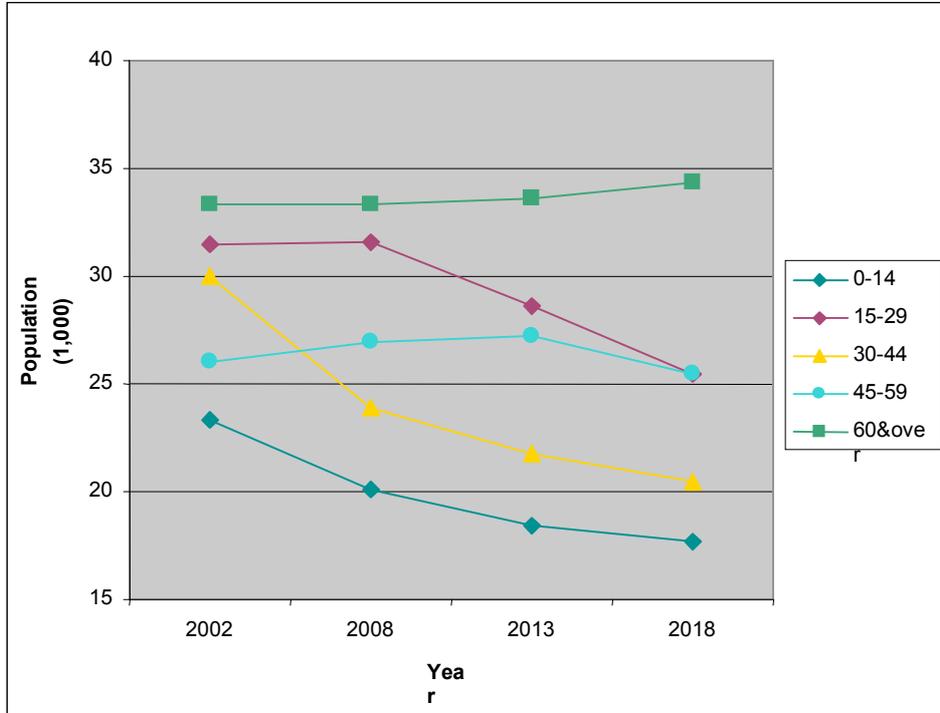
Context

15. Dundee City Council faces a number of challenges that result from its economic and social profile. The city has undergone many changes with the loss of traditional industries and is replacing these with modern, scientific industries, providing a location for incoming public services and enhancing the retail and cultural sectors.
16. The city suffers from some of the most acute social deprivation in Scotland, with high levels of health inequalities, teenage pregnancy and poverty. It has a poor housing mix with a high proportion of council stock, a surplus of high-cost multi-storey flats, and a disproportionate number of houses within the lowest council tax bands.
17. Contraction of the city's boundaries in 1996 reduced the population and with it, the council's ability to raise revenues from a larger, wealthier tax base. The council reports that this was compounded by a corresponding reduction in the city's central government funding settlement, meaning the commitments it inherited from the previous local government structure were not matched by its resources. While this was eased for the first two years through the 'Mismatch Transitional Scheme' agreed between CoSLA and Scottish Office Ministers, it put a strain on managing services and resources and created circumstances in which significant redistribution of resources within the council was required.
18. The city's population was 143,090 in 2003, and is declining rapidly. It is projected to fall to 123,506 by 2018. Conversely, the population aged over 60 is expected to increase during the same period ([Exhibit 1](#)). This will place additional demands on council services.



Exhibit 1

Projected population change by age group



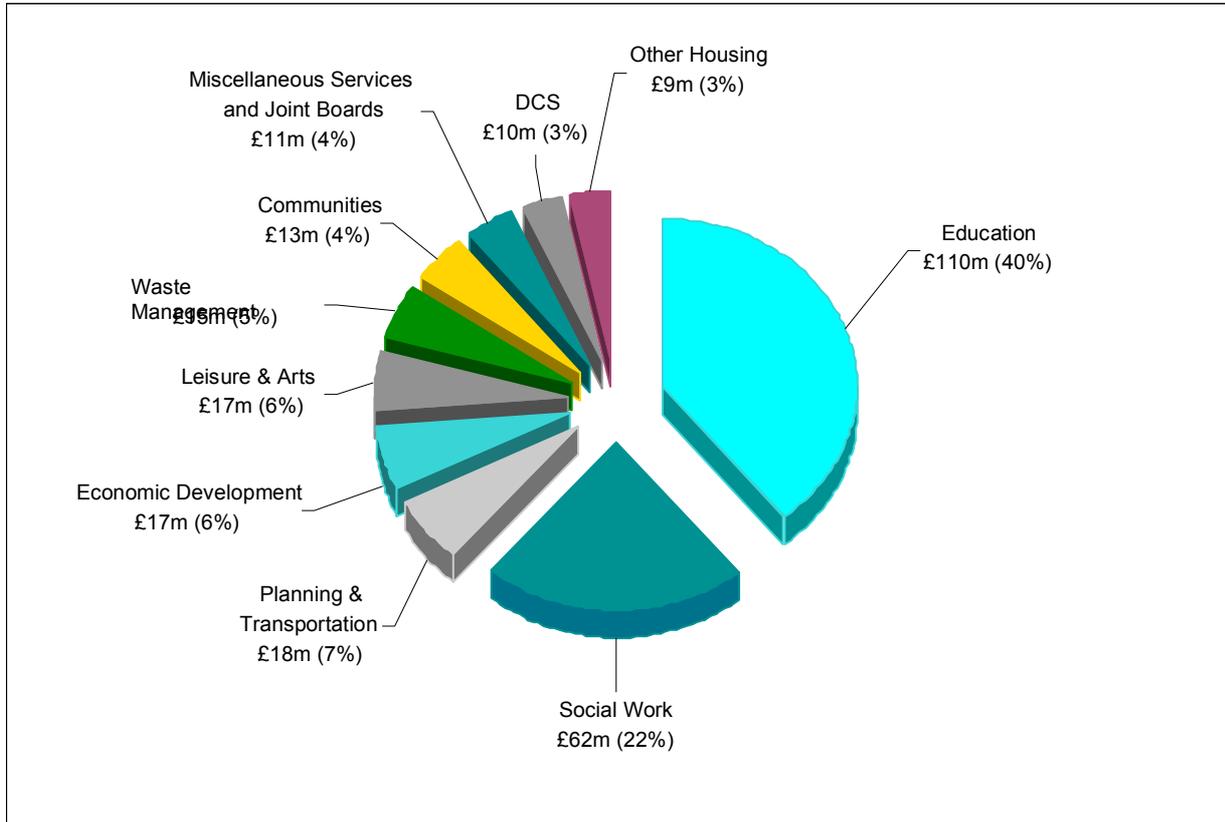
Source: General Register Office for Scotland Population Projections

19. A large and growing proportion of the city's employees are in-commuters who live in the more affluent areas surrounding Dundee, while its status means it must provide the range of services and facilities expected of a city its size.
20. The council has had to respond to its social and economic context since 1996, and it continues to face serious challenges in relation to efficient service delivery, budget savings, council tax stability, structural change, stemming the population decline, providing the right housing mix, and providing the most excluded residents with opportunities for work.
21. The council's projected net revenue expenditure for 2005/06 totals £282 million. Distribution by service area is outlined in [Exhibit 2](#).



Exhibit 2

Net Revenue Expenditure 2005/06 (£282 million)



Source: Dundee City Council

22. Actual net expenditure on services in 2003/04 was £260 million. This equates to around £1,959 per head of population, compared with a Scottish average of £1,809. Net expenditure in 2004/05 increased to £269.6 million, an increase of 3.7%.
23. The Band 'D' council tax for 2005/06 is the second highest in Scotland at £1,180, against a Scottish average of £1,094. In its first three years of operation, council tax rises in Dundee were high in comparison to the national average. This has since stabilised, with the council recording an 8.4% increase over the last five years, the lowest in Scotland over this period.
24. The average weekly rent for a council house in Dundee during 2005/06 is £46.55. This compares with a Scottish average of £44.93 and is the tenth highest in Scotland.



Responding to the needs of Dundee

25. Best Value requires councils to show that they are committed to delivering services that are responsive to the needs of their communities. It is important that the council and its partners have a clear and well-informed view of the needs of the area in order to address them through their strategies, plans and action. Elected members and corporate management should demonstrate effective leadership in driving forward the Best Value agenda and the council's policy priorities.

Working with communities, citizens and partners

26. Dundee has a strong tradition of community engagement and development. There is clear evidence of the council's commitment to this through the role played by the Communities Department and others. It has established localised community planning, regeneration money is delegated to community organisations, and service users are involved in reviews.

27. The council is enthusiastic and committed to joint work. The community planning partnership has been built from the foundations of the Dundee Partnership, which was primarily focused on economic development. The first community plan, for the period 2001 to 2006, had six strategic themes:

- Economy and Enterprise
- Lifelong Learning
- Social Inclusion
- Sustainability
- Health and Care
- Community Safety

These were subsequently reduced to five themes by the merger of Economy, Enterprise and Lifelong Learning.

28. A number of target outcomes for each theme were included within the plan. For example:
- Increase the number of jobs in Dundee from 79,500 (February 2001) by at least 1% each year for five years giving an increase of 4,000 jobs to 83,500 by 2006.
 - Increase the number of participant hours in adult learning activity each week by 15% by 2006.
 - Reduce the pregnancy rate among 13-15 year olds by 20% by 2010.

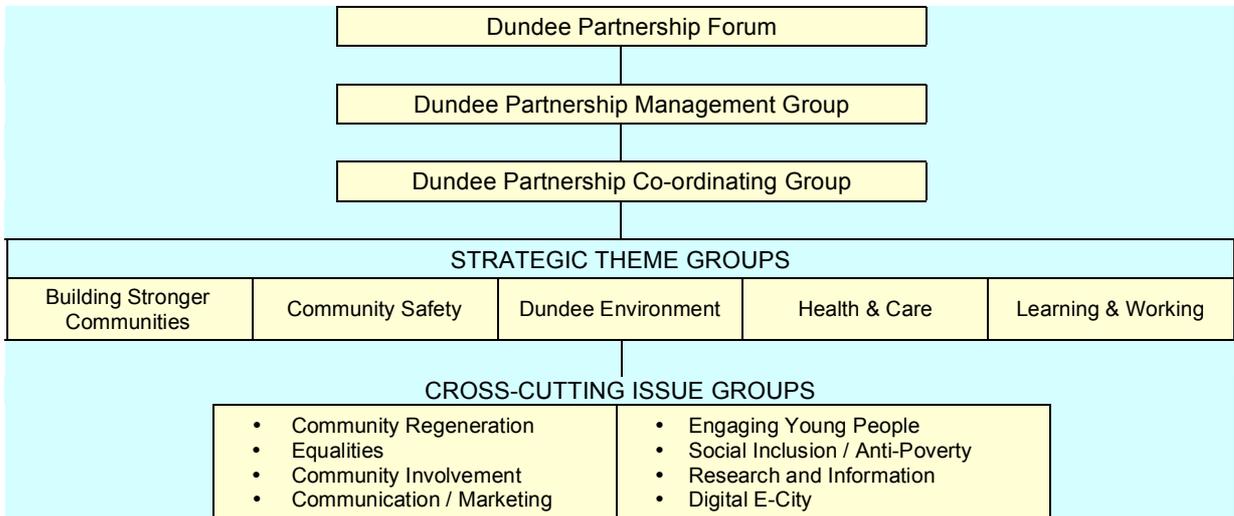


- Increase the number of businesses in Dundee accredited with Environmental Management and Auditing systems to 30 by 2006.
 - Reduce accident levels by 5% by 2006 with particular focus on speeding and parking by drivers at school entrances and exits.
29. Annual monitoring of targets is carried out during the period of the first plan. This showed some significant achievements:
- Reduction in teenage pregnancies.
 - Increase in drugs convictions.
 - Decrease in road accidents, fatalities and casualties.
 - Decreased cost of crime on council properties.
30. Not all targets were met, such as secondary schools attendance levels, and the proportion of people using buses had declined.
31. The process for determining the content of the first Community Plan could be described as top-down, driven by the council as lead partner. The second Community Plan for the city published in the summer of 2005 intends to be more bottom-up, drawing more on the views of citizens and community groups and providing a good illustration of the council's commitment to community engagement.
32. Community planning structures are well developed at city and local levels with appropriate political, official and community representation on each. The community planning partnership structures are shown in [Exhibit 3](#).



Exhibit 3

Dundee Partnership Structure



Source: Dundee City Council

33. The council is fully committed to local community planning and has supported its nine main communities to develop local community plans. This has linked local or neighbourhood priorities to Dundee Partnership's priorities at the strategic level, and provides a connection between national, citywide and local neighbourhood priorities. Implementation of the plans is supported through Neighbourhood Partnership Networks. These bring together representatives from partner agencies with operational responsibility for service planning within a locality, working directly with communities.

34. Dundee's community planning partnership has prepared a Regeneration Outcome Agreement for Communities Scotland in order to release Community Regeneration Funding (CRF) for use in its poorest communities. As part of this agreement, the council has delegated the responsibility for allocating a portion of the CRF money to the communities themselves, aiming to put real power and influence into their hands.

35. The main elements of the council's own corporate plan directly reflect the Community Plan's strategic themes for the city. They are:
 - Learning and Working.
 - Health and Care.
 - Community Safety.
 - Building Stronger Communities.
 - Caring for the Dundee Environment.



36. The specific initiatives and projects detailed in the corporate plan are included in individual council service plans. The Community Plan themes are likewise reflected through these. However, the service plans do not include specific corporate or community plan targets.

Policy commitments and priorities

37. The council has a number of key policy commitments that include:

- Maximum increase of 5% on council tax.
- Maximum rent increase of 1% above inflation.
- No compulsory redundancies.
- Maintenance of current service provision.

38. Dundee has been ahead of the national agenda in, for example, its approach to tackling neighbourhood deprivation and retaining its most skilled residents. This has meant the council has easily assimilated many national policy initiatives such as community planning. On the other hand, it has decided against national policy in important areas, such as housing stock transfer.

39. The council has identified a series of large-scale policy priorities. Among these are:

- Schools Public Private Partnership (PPP) and rationalisation programmes.
- Major waterfront developments.
- Plans to reduce, replace, remix and upgrade the housing supply.
- Improving public transport and the public realm.
- Tackling depopulation, retaining graduates and attracting families.
- Making Dundee an attractive and vibrant city.

40. On top of this, there is an ongoing debate around the extent to which the council centralises or decentralises customer-facing services. This could have a significant impact on the way the council develops its physical assets in the future.

41. These policy positions and service objectives are difficult to achieve in view of pressures arising from the council's circumstances, and it will face difficult decisions that require strong leadership and effective engagement by elected members and corporate management.



Accountability

42. A local authority which secures Best Value will be able to demonstrate accountability so that stakeholders are told what is being done to respond to their needs, what quality of service is being delivered and what they can expect in the future. It will also use Public Performance Reporting as a primary opportunity to outline to stakeholders the circumstances and rationale behind their policy and spending priorities, and to explain why some balancing of different expectations or prioritisation of activity may be required.
43. These issues are of particular importance in Dundee given the challenges it faces and the pressure on resources. The council needs to make difficult decisions on its use of scarce resources and there is a need to manage the expectations of the local community carefully. Political management arrangements limit the amount of open debate taking place in formal committees. This could be balanced by greater emphasis on explaining the reasons for decisions via public reporting.
44. Recently issued Statutory Guidance encourages councils to use public reporting as a way of engaging with communities and customers, and Dundee needs to do more in this area.



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

Commitment and leadership

Political management

The council is ambitious and politically stable. Improvements are needed in the openness and transparency of decision-making, and political management arrangements do not provide elected members with adequate opportunities to monitor performance. The council needs to explore alternative arrangements to address these gaps and ensure that the reasoning which underpins decisions is clearly documented and traceable.

45. The council's political leadership is very ambitious for the city, and can point to extensive efforts to raise Dundee's profile as a good place to live and work through, for example, its emerging trade links with Dubai.
46. The council is politically stable and relationships between the political parties are generally good. All of the parties share a common vision for Dundee, and are prepared to put political differences to one side to achieve this.
47. At the last election in 2003, 11 SNP, ten Labour, two Liberal Democrat, five Conservative and one Independent councillor were elected. The Council Administration was formed from a coalition of the Labour and Liberal Democrat parties. The Administration meets with the Conservative group through a three-party-meeting known as the Business Bureau. The SNP forms the official opposition.
48. Members report they have adequate access to training, information, advice, information and computer technology (ICT) and administrative support to allow them to carry out their roles. Relations between elected members and officers are also good, and members feel well supported and respected by officers. Members make it clear that their job is to make policy and officers' job is to implement it. Officers take a strong lead, and have extensive powers of delegation.
49. Policy issues are discussed in private meetings of party groups. Elected members call upon council officers for advice and information as and when required in the course of these discussions. It is unusual for policy issues to be presented at council committee meetings prior to consideration and agreement in these private sessions, limiting the amount of policy debate that takes place in public.



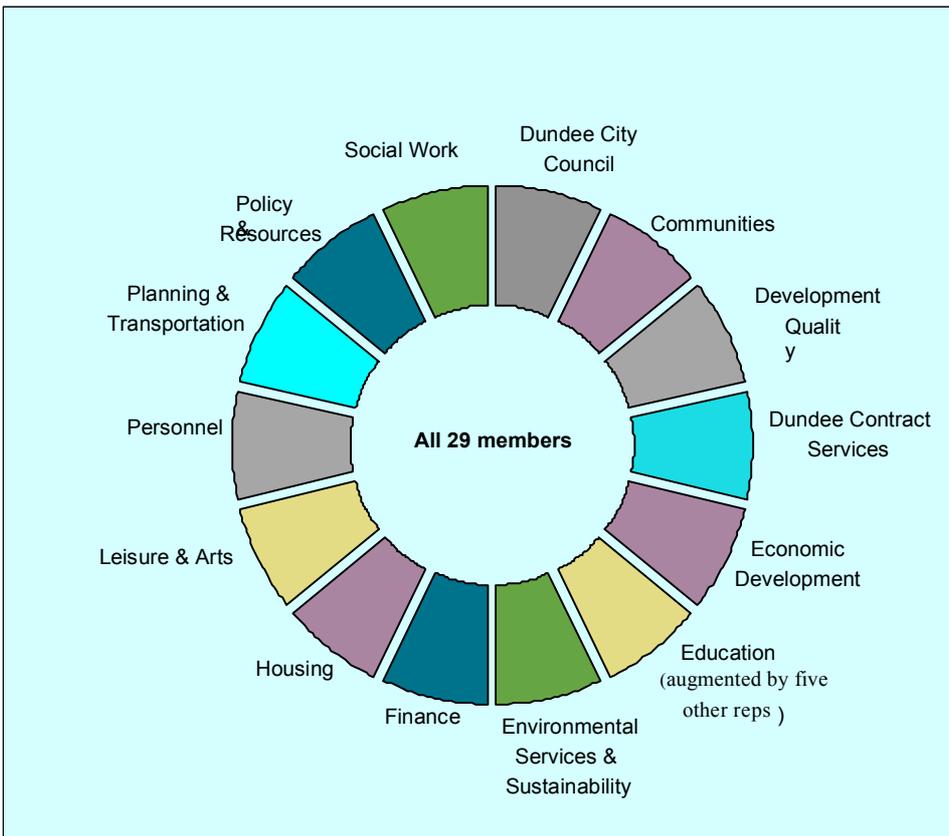
50. As there is no overall party political majority on the council, elected members try to achieve consensus in dealing with committee business. On occasions when the council is divided, the item under discussion is often resolved through a revised proposal being prepared in private recess and then put to the council for a vote. While these arrangements achieve a stable political environment, they may reduce the amount of open debate and discussion that is taking place in public. To some extent this appears to question whether the council meets Best Value criteria in relation to openness and transparency, which require the reasoning that underpins the decisions to be clearly documented and traceable. The council needs to consider the balance it is achieving between political stability and transparency.
51. As Statutory Guidance suggests, transparency can be supported through using Public Performance Reporting processes to explain the reasons for key decisions and to provide background information to the public about debates and discussion within the council committees. Public Performance Reporting could reach a more extensive audience than committee papers or minutes normally would and contribute to the council meeting Best Value requirements.
52. The council provides helpful information through an award winning website that contains a wide range of committee reports and service plans, and a vigorous local press provides additional public scrutiny.
53. Elected members report they are largely comfortable with existing opportunities to scrutinise performance and policy, even though this is limited. In its 2001 report to the Scottish Executive, the Leadership Advisory Panel (LAP) noted that the council's structure,

“...does not include a scrutiny body separate from the executive function which can hold the leadership to account, either by ‘calling in’ decisions or through a structured programme of in-depth policy review.”
54. There has been no change to this situation since the LAP reported. The council does have an Audit and Risk Sub-Committee that meets three times per year, and is limited to monitoring internal and external plans, and risk management actions. In the absence of distinctive formal arrangements for scrutiny of performance and review, only council committees could exercise this function. However, management arrangements for committees make this difficult.
55. All 29 members sit on all 13 committees and the full council ([Exhibit 4](#)). Full council and committee meetings are held on two evenings per month. This means that all council business, with the exception of development control and licensing, is transacted in only two sittings of the elected members, who can be asked to consider a substantial number of reports in each of these sessions. Some elected members report they are overloaded with paperwork, meaning there is a risk that the detail contained in reports could be overlooked. This also limits the extent to which detailed scrutiny



can take place. At the same time, there is little evidence to indicate that members are regularly involved in monitoring service performance outside council meetings.

Exhibit 4
Council committees



Source: Dundee City Council

56. The council does not appear to have tested alternative approaches to political management. In 2001, the LAP found that,

“...it is not possible to assess whether the current structure might be improved upon, for example through introducing a reduced number of committees with more cross-cutting portfolios, because the council has not yet undertaken a self-review of its structure and therefore has not been able to appraise systematically, the benefits or disbenefits of introducing changes to its arrangements.”

57. Following completion of the LAP review, the council undertook to set up a working group to consider the outcome of the panel’s work. There is no evidence to indicate that any significant change resulted from this; the council decided that it wished to operate a structure that did not exclude any member from a committee, believing that this was practical with 29 members and most effectively ensured political balance.



58. The council should consider a number of issues concerning political management; for example, how could information be managed better, how could the volume of paperwork be reduced, and how could committee meetings be scheduled to give more time to debate and discussion of issues?

Council Management Team

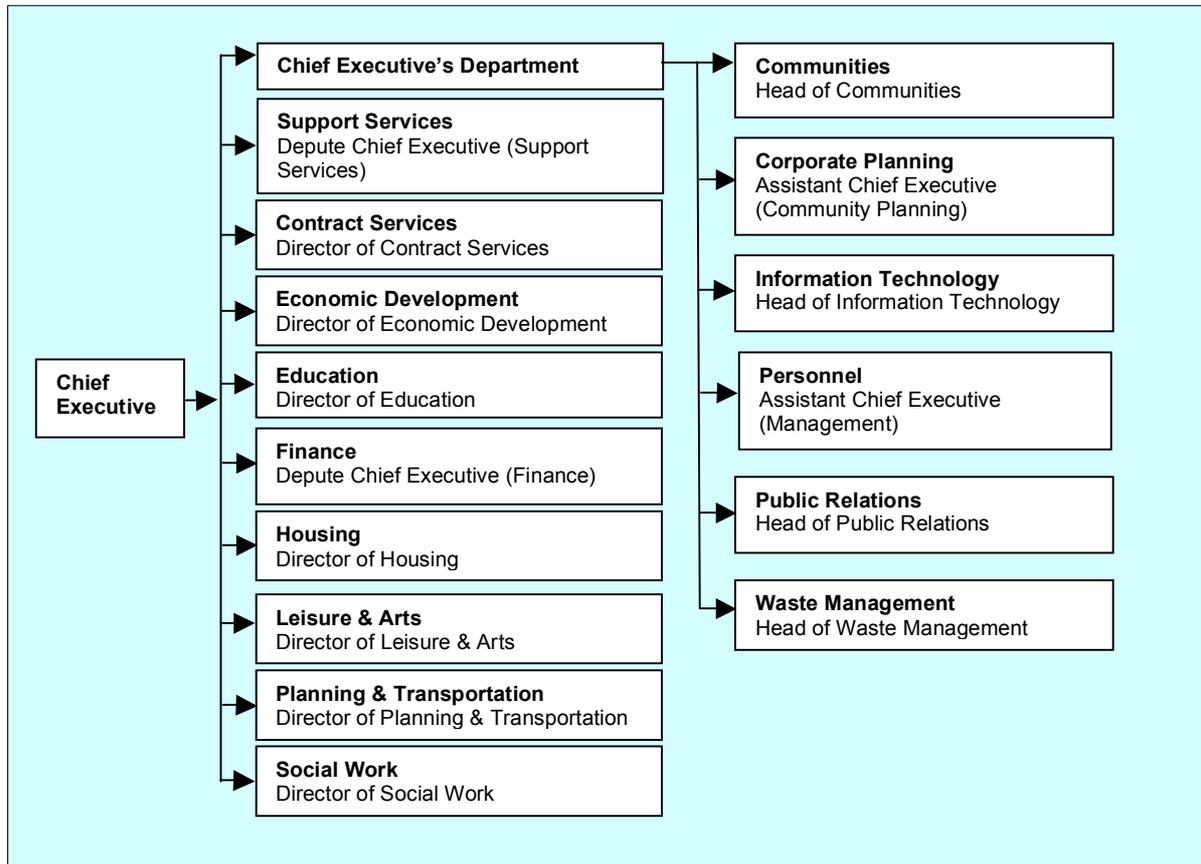
The Council Management Team (CMT) structure has evolved as opportunities for change have presented themselves. There is little evidence that a review of the CMT in 2003 brought about any significant change in its functioning. Its focus remains largely operational, but there is a need for greater corporate leadership on performance management and improvement.

59. The purposes of a council's management structure is to effectively and efficiently implement the policy decisions taken by elected members on behalf of citizens and to ensure high quality service delivery.
60. The management structure in Dundee is opportunistic, with any changes largely being determined as chief officers leave the council. The chief executive would like to slim down the structure further, when cost effective opportunities are available, but this must follow a clear plan that is based on a clear and logical analysis of customer need and organisational efficiency. There is a suggestion by the council that it will change again when the opportunity arises through chief officers retiring in future years.
61. The Council Management Team consists of ten chief officers and six advisors ([Exhibit 5](#)). These arrangements were established following a review conducted in 2003 that resulted in a number of the previous CMT being re-designated as advisors rather than members. The main distinction is that advisors are heads of service or assistant chief executives, while CMT members include the chief executive, depute chief executives and directors.
62. The review was intended to enable the chief executive and the smaller group of chief officers to meet outwith the normal cycle as and when required. This does not however seem to have taken place to any significant extent. Nor has the role of this tighter group evolved or developed. In practice, there seems little distinction between the roles of these two groups of senior managers. The council did establish specific working groups on corporate issues, such as GIS (geographic information systems), derelict land, and children's services. These were designed to involve only those directors with a direct interest in each issue.
63. Large corporate management structures are becoming less common in councils of Dundee's size, as local authorities see advantages in slimmer management models that maximise the benefit of integrated working and shift resources to front line service delivery.



Exhibit 5

The Structure of Council Departments and the Council Management Team



Source: Dundee City Council

64. We found that the CMT could provide greater leadership in a number of key areas. For example, continuous improvement in performance needs to be more central to the CMT's business agenda. In the absence of minimum corporate standards being established, departmental approaches predominate and there is significant variation in how effectively services are addressing performance improvement.
65. The chief executive provides clear direction to chief officers on an individual basis, and takes direct control of operational performance monitoring that requires scrutiny of a substantial volume of detailed information. While this is effective on individual issues, a change in focus towards more integrated corporate management at a strategic level is required.
66. A review of CMT minutes over a one-year-period indicates that discussion centres largely on operational matters rather than on strategic performance management issues, which are mainly dealt with through one to one sessions between the chief executive and individual chief officers and specific



working groups. Opportunities for sharing experience and innovation across the membership of the CMT are therefore limited.

Continuous improvement

Council services are generally good, but evidence of deterioration in some areas suggests the need for greater focus on continuous improvement. The benefits of service review and option appraisal need to be applied more widely, and good practice should be shared more systematically. There is scope for the corporate centre to play a more direct role in driving the message of continuous improvement throughout the council.

67. A council that demonstrates Best Value must ensure that it supports high levels of service quality and secures improvement on a continuing basis. It will use review and option appraisal to challenge existing methods of service delivery.
68. Some services, such as Education, Leisure and Arts, Planning and Transportation, Social Work and Architectural Services, are well-advanced in their application of the European Foundation for Quality Management (EFQM) model suggesting a strong commitment to continuous improvement. The council's move from small-scale service reviews to broader corporate reviews has also established the potential for improvements on a more significant scale. However, varied use of service planning to drive improvement and a limited use of option appraisal and benchmarking indicates more improvement is required.
69. There is some evidence that the benefits of good practice are being shared between services. An example of this is the use of business process analysis by the Housing Department to reconfigure repairs services. The same approach was subsequently used by the Social Work Department when it reconfigured its approach to community care assessments.
70. The Leisure and Arts service has made extensive use of option appraisal. Policy options put to elected members have largely addressed the question of whether services should be retained in-house or externalised. Members are more prepared to engage in this debate than in previous administrations, but still expect a strong justification for proposals to externalise council services.
71. The use of benchmarking and other comparative analyses are important indicators that a council is pursuing continuous improvement. However, developments such as this appear to be on an ad hoc basis and to be driven by individuals rather than through corporate direction from the CMT.
72. The council carried out 117 service reviews between 1998 and 2003, covering 75% of the council's expenditure. These focused on improving performance at a service level, and more than 800



proposals for improvement were identified as a result. The process also led to efficiency savings of £3.1 million.

73. In August 2003, the council agreed a more strategic programme of 36 reviews linked to the strategic themes of the Council Plan and the Community Plan. However little progress was made, and the programme was rationalised in 2005. The Council Plan also commits the council to a series of reviews with its community planning partners, although limited progress has been made on these.

Planning and budgeting

The council needs to make more use of service planning in its drive for continuous improvement. This should include integrating service planning with a revised budget process that ensures the council's resources are accurately directed towards policy priorities and the needs of the community.

74. Service plans are produced in a reasonably consistent format across the council. However, their use as tools to drive strategic improvement varies between services. There is also great variation in the way council services use their plans, with limited evidence that they feature greatly in managerial or operational discussions.
75. Information relating to the use of human, financial, physical or other resources does not feature highly in service plans. It is difficult to see how services or elected members can gain an overall view of planned activity without key resource information.
76. While the performance of departments against their service plan commitments is reported annually to the council, there is only limited evidence of regular monitoring of the plans by either the CMT or council committees.
77. The council has a traditional approach to budgeting. Budget discussions are usually conducted bilaterally between chief officers and are focused around savings options for individual services. There is no evidence of significant deliberation of corporate budget priorities at CMT, or between CMT and elected members. Many chief officers and members believe that increasing budgetary pressures in the coming years will necessitate a different and more strategic corporate approach.
78. An effective system of budgetary control involves the setting of budgets in accordance with policy objectives and service plans and continuous comparison of budgeted expenditure with actual expenditure to ensure objectives are achieved. The council operates a three-year budget cycle, but acknowledges that links between the service planning process and budgeting are not in place. The



council should therefore review its current approach to corporate budget setting. Such a review would be expected to include how policy setting and budget setting can be more integrated.

79. The nature of some services, such as Leisure and Arts, allows them to generate substantial revenues, which they are allowed to retain and reinvest in the first year they are generated. If these are ongoing, they are used to reduce the council tax. Other services, such as Social Work do not have such opportunities and have had to limit service provision due to increasing demand and the council's overall financial position. Improvement in the council's approach to budget allocation and management would assist the redistribution of funds between services to meet budget pressures and policy priorities. The council accepts that there is a need to redistribute its resources and believes that this happens. However, it also accepts that this needs to be more transparent and systematic.
80. The council considers that it needs to find around £8 million in savings to remain in balance. The council is not confident that efficiency savings from service reviews alone will allow it to regain a stable financial position.
81. Overall, it is clear that a more robust corporate budget planning process is required. The CMT is very aware of the financial position, but there is not a coherent approach to resolving it. Under present arrangements, service developments and budget pressures can only be met from within departmental allocations, or from additional ring-fenced money. Although this approach applies equally to all services, it does not recognise particular pressures on high-demand services and is not redistributive.
82. Capital expenditure is approved for the current year and provisionally for the next two financial years. The plan for 2005-2008 was approved in May 2005. It recognises that there can be revenue implications, such as staffing and maintenance costs as a result of some capital projects, and members have been advised that such additional costs have been accounted for within the revenue budgets that were approved in February 2005. It is important that capital and revenue plans relate to each other and should be approved in tandem. The council accepts this, and has confirmed that the plans for 2005-2008 were prepared together, but that there were some delays in the approval process for the capital plan on this one occasion.
83. There is no evidence to indicate the connection between Capital Plan priorities and council Plan priorities. This suggests the need for capital planning to be considered by the council as part of a broader review of policy led budgeting.



Performance management and reporting

The council has a corporate system for managing and reporting the performance of its services, but this is not consistently applied. This makes it difficult for elected members and the public to form a judgement about the council's performance. These omissions need to be addressed to provide a balanced and transparent picture of performance.

84. The council's corporate system for monitoring, managing and reporting service performance is based on performance indicators listed in service plans. These include Statutory Performance Indicators, some locally developed indicators and the EFQM model.
85. There is strong evidence that some services such as Planning and Transportation, Social Work, Leisure and Arts, Architectural Services and Education are making good use of the EFQM system to assess and improve their performance, and the benefits to service users are becoming apparent. The challenge for all council services is to ensure they have robust systems in place to allow them to assess, monitor and improve service delivery. At this point, these are not in place across all services, and this area requires greater corporate drive and accountability.
86. Service plans contain details of current performance and future targets, but this can sometimes be obscure. For example, service performance levels and targets are described as 'current' or 'to be established' in Personnel and Social Work service plans.
87. Performance against service plans is reported to council committees annually. These reports provide updates on major projects, but few include trend information and none include comparative information, details of staff absence, complaints information, budget variance or improvement plans. This level of reporting makes it difficult for elected members and the public to form judgements about how well services are performing and the potential for improvement. All services need to develop more rounded performance reports that also describe their contribution to community planning priorities.
88. Monthly reports on total revenue spend are presented to the Finance Committee. Individual service committees do not get any financial reports as the council judged this would be unnecessary repetition given that all members are on all committees. This approach limits member scrutiny of financial performance as the revenue monitoring report is a high level summary and does not, for example, analyse the projected position by service expenditure type.
89. Capital monitoring reports are also provided to the Finance Committee. These highlight all project under and overruns and can be very detailed. Following the introduction of the Prudential Code



system for the control of capital investments, these reports are to be reviewed to ensure that they highlight the effects of variances on the prudential indicators.

90. The council produces an annual public performance report. This provides a substantial volume of information, including a summary of the customer survey. The most recent report, however, could have been better. For example, the nine priority areas that are reported do not correspond to Council Plan priorities, the top targets listed are not covered in the performance review, and performance against the community plan is not included.
91. Best Value requires councils to report to the public on performance in a balanced way, covering areas in need of improvement as well as successes. While Dundee's reports do include some aspects of performance that needs to improve, there is little coverage of those areas that are in need of significant improvement such as housing benefit administration, council tax collection and rent arrears.
92. There is little evidence, with the exception of *Housing News*, of targeted public performance reporting by individual services. Services should therefore consider where they could produce targeted performance information for their service users.

Efficient use of resources

Managing finance and assets

The Finance Department plays a pivotal role in ensuring savings targets across the council are being met. Details of revenue and capital expenditure are regularly reported to the Finance Committee. However, the current format for revenue and capital monitoring reports does not allow members to monitor expenditure adequately. As yet, the council has no asset management plan in place, although this is scheduled for completion by 2007.

93. The Council's Finance Department is structured to cover its dual roles of general finance such as accounting and budgeting, treasury management, pension fund, and revenues dealing with council tax, housing benefits and non domestic rates.
94. The department has had no significant overspends in any departments or services in recent years. This is because of:
 - clear delegation of annual budgets to budget holders
 - provision of regular monitoring reports to budget holders
 - a budget reporting structure that corresponds with the council's management structure.



95. The council has a varied and sizable portfolio of assets valued at £688 million in March 2004. Asset management is a key component of efficient governance and in January 2004, the council began the process of developing a corporate asset management strategy. As part of this process an Asset Management Group (AMG) and an Asset Management Plan Project Team (AMPPT) were established. The AMG's remit is to ensure that an asset management plan is in place by 2007.

Managing people

Dundee City Council has a high staffing complement compared to other Scottish councils. In the absence of any corporate workforce planning it is difficult to see how the council can ensure its staffing levels reflect the needs of the city, and demonstrate good value for money. The council identifies this as a weakness and will be developing a human resources strategy. Staff absence levels are high.

96. The council has the third highest staffing complement of all Scottish councils ([Exhibit 6](#)). It reviewed its staffing establishment in 2003; this identified a substantial number of factors that the council considers to be mitigating circumstances, and little has changed in the meantime. The council needs to monitor the situation carefully to ensure that its staffing complement represents value for money on an ongoing basis.
97. The absence of a robust approach to workforce planning is not sustainable in light of the council's assessment of the financial pressures it faces. There is innovation at service level, such as the initiatives to recruit and retain social work staff (outlined later in this report), but this would be improved if it were part of a more corporate approach.
98. The need for a corporate approach is made all the more pressing with the changing nature of service design, including contact centres and electronic service delivery. Procedures are in place for employee appraisal and training and development resources are available. These are important but would be more efficient and effective if they operated in the context of a corporate strategy.
99. The council has highlighted the need to develop a human resources (HR) strategy to address these issues in its improvement action plan. The Personnel service will have a key role in developing a systematic approach to identifying and meeting future skills requirements across the council through the HR strategy. The council is the biggest employer in the city, and increasing employment opportunities is a council priority.



Exhibit 6

Total whole-time equivalent staff per 1,000 population by service

Service area	2001		2004	
	Dundee	Scotland	Dundee	Scotland
Corporate Services	0.4	0.8	0.4	0.7
Central Support Services	4.4	2.7	5.2	3.1
Planning & Economic Development	0.9	0.7	1.0	0.8
Education: Teachers	10.9	10.7	11.6	11.1
Education: Others	6.2	5.5	6.7	6.7
Social Work	10.3	7.4	11.0	8.7
Housing	2.5	1.8	2.6	1.7
Roads and Transportation	1.0	1.0	1.2	1.2
Arts, Sports and Leisure	1.9	0.9	1.4	1.1
Libraries, Museums and Galleries	1.5	0.8	1.0	0.8
Trading Standards	0.2	0.1	0.3	0.1
Environmental Services	0.9	0.8	0.7	0.7
DLO/DSO	9.6	8.7	11.1	8.5
Other Staff	0.2	0.3	0.2	0.2
Total Staff	51.0	47.4	54.5	50.8

Source: Scottish Executive/COSLA Joint Staffing Watch Survey

100. Although the council has in place an absence management policy and procedures, absence levels remain high. Statutory Performance Indicators show that it is on the increase and levels do not compare well with other Scottish councils. Absence among teachers is the third highest in Scotland, and is 7.1% amongst craft and manual workers compared to a Scottish average of 6.3%. The Corporate Management Team has given this issue considerable attention.
101. Last year, absence cost the council £5.4 million in sick pay, not including temporary cover and overtime costs. Considering its concern about financial pressures, the council needs to maintain a strong corporate approach to manage absence levels and to improve its performance in this area. The council understands that there is a need to develop a positive working environment to prevent absence as well as having procedures for dealing with it when it occurs.
102. There are examples of good HR practice, notably the work of the Organisational Development division in relation to business process analysis and re-engineering. The approach taken to process analysis is robust, resulting in significant service improvement in, for example, the time taken to complete community care assessments, and the speed at which housing repairs are carried out. There is potential for this practice to be shared more widely across the council and embedded in its approach to Best Value reviews.



Competitiveness

Best Value provides opportunities for new ways of working, but the council's approach is broadly in line with the former Compulsory Competitive Tendering regime. Benchmarking is not applied systematically across all activities.

103. The Local Government in Scotland Act 2003 repealed Compulsory Competitive Tendering (CCT) legislation and created an opportunity for councils to consider new approaches to service delivery for the activities previously subject to CCT. It was intended that while the business disciplines of the CCT approach should be maintained, the narrow focus on the lowest priced tender would be replaced by greater balance between costs and quality. Although tendering procedures take greater account of qualitative factors, in general terms Dundee appears to have maintained an approach broadly in line with the former regime. There is scope for more widespread consideration of new ways of delivering services through business redesign and reconfiguration.
104. The 2003 Act also introduced a new requirement for councils to maintain and disclose Trading Accounts for significant trading operations from 2003/04, and for these to break even over a rolling three-year-period. The council undertakes an annual review of its trading operations and has identified only one, Dundee Contract Services (DCS), as significant. DCS provides a range of services to the council, including housing and property repairs, and grounds maintenance.
105. Early Best Value reviews included benchmarking, and there is evidence that some services continue to use this technique. Housing for example, is a member of the Scottish Housing Best Value Network and the Scottish Housing Benchmarking Group. Later reviews have concentrated on partnership working and the council's intention is to benchmark this against other comparators. It has acknowledged the scope for greater use of benchmarking to improve competitiveness.
106. The council along with Angus and Perth & Kinross Councils, is part of a commercial consortium known as Tayside Contracts which provides services in catering, cleaning, roads maintenance, vehicle maintenance and winter maintenance. The council continues to use tendering procedures to award contracts that secure the most competitive service. Tayside Contracts regularly wins tenders across the three constituent councils and has also secured work from West Lothian Council and the private sector. In its 2004 study of the maintenance of Scotland's roads, Audit Scotland commended the benefits of consortium arrangements to other Scottish councils.



Procurement

The council has no procurement strategy in place. A number of options are being considered to address this gap and a bid for funding has been made to the Efficient Government Initiative. The council has recently become an associate member of the Authorities Buying Consortium.

107. The council has decentralised purchasing to departments who source their own supply of goods and services from their preferred suppliers. There are some exceptions to this general approach, including education supplies and energy purchasing.

108. The council acknowledges this arrangement could be improved. A number of purchasing reviews have been done and a recommendation to appoint a Procurement Manager and establish a corporate procurement team has been put on hold whilst the possibility of buying into the Scotland e-Procurement Scheme is investigated. The council is pursuing a funding bid in relation to procurement from the Efficient Government Initiative and has recently become an associate member of the Authorities Buying Consortium (ABC).

Information and Computer Technologies (ICT)

ICT is playing an increasingly central role in the council's service delivery and drive for improvement. The IT service is seeing its traditional internal supplier role changing to include more customer-facing service provision, and in both areas it is able to demonstrate good progress.

109. The council's *Customer First* strategy illustrates its determination to put ICT at the heart of service delivery. The ICT strategy dates from November 2000 and sets out projects covering:

- Development of the council's website and internet presence.
- Development of contact centres.
- Joined up process reviews.
- E-Procurement.
- E-Learning.
- E-Community.

110. The council now recognises the need for a new strategy that can deliver the challenges of Scotland's drive for efficient and modernised government. The CMT is currently considering how to develop a new strategy to meet these challenges. In the meantime, the council has taken forward projects in



relation to a core customer service team and the Dundee Discovery Card, a smartcard that would be used in schools and for concessionary transport.

111. During 2003/04, the council's local auditor reviewed progress towards web-based electronic service delivery commitments as well as the four council projects supported by Modernising Government Funding (MGF), namely:

- Dundee Discovery Card.
- Master Address Database integrated with other council applications.
- Dialogue Youth - a partnership between Young Scot, COSLA, the Scottish Executive and all local authorities to create and provide training for local Dialogue Youth Units.
- ScotXed - the exchange of education data with the Scottish Executive Education Department.

112. A series of project management improvements were agreed with the council and these are now being taken forward and considered for inclusion in the new ICT strategy. The case study below helps illustrate how the development of ICT is playing an increasingly important role for the council.

Case study

Electronic Service Delivery: Dundecity.gov.uk

Dundecity.gov.uk, the council's website, took £4million in online payments and transactions in 2004/05, three times more than the previous year. The site receives approximately 4,000 public visitors per day. In the past five years the SOCITM/SPIN award for best local authority website has gone to Dundee's site three times. The site is managed on a day-to-day basis by a Community Information Team with a corporate strategy steering group overseeing the development of the site.

As well as the usual website statistics the council monitors the site through consumer surveys. The 2004 general survey showed that 13% of the population that had internet access at home had used the site. A survey for the steering group of more focused local internet users showed a higher level of use (77%) of the council's site and of those who had used it 89% said they found what they were looking for.

The council has adopted a new three-year-plan for its website which includes: a statement of requirements, the Electronic transactions planned and investment in content management.

113. The IT service has recently seen its traditional internal supplier role changing to become increasingly involved in customer facing service provision. However, it is involved in other major projects such as IT infrastructure provision, and the council's Information Security Policy. The most recent performance report to Policy and Resources Committee in June 2004 shows a range of good progress against the targets in the service plan, although better information about customer satisfaction could have been included. The service achieved accreditation under the ISO9000 series in 2003, which in itself should be a basis for continuous improvement in the reporting of performance.



Joint working

There are good examples of joint working between services, but these are not shared systematically across the council. The council has embraced joint working with other public and private sector partners. The Dundee Partnership can demonstrate that it has made an impact in terms of economic development and physical change, and now needs to focus on monitoring its impact on less tangible, longer-term and crosscutting priorities.

114. There are many good examples of council services working together to deliver more efficient and effective services. For example, Dundee Contract Services provides the Housing repairs service, Economic Development and Planning and Transportation work together on major development projects, and Communities, Education, Leisure and Arts and Social Work collaborate to provide services for vulnerable young people.
115. There is also joint work conducted with the other local authorities in the Tayside area, which has seen four major reviews being carried out into Smoking Prevention and Cessation; Physical Activity Services; Drugs and Alcohol Services; and Nutrition. The chief executive of one of the authorities chairs each of these review groups
116. Equally good examples exist in the council's work with external partners such as the National Health Service. The council's Joint Future arrangements setting out how it will work with the NHS to deliver better community care services have been assessed by the Scottish Executive as '*well progressed*'.
117. However, it is not clear how these examples of good practice are shared across the council, with only limited evidence of consideration of these types of initiatives by the CMT as a whole.
118. The Dundee community planning partnership is a very good example of joint working with external public and private sector partners. The partnership, with its current remit, has been in existence since 2002 although it has its roots as far back as the 1980s. It has a very clear understanding of the complexity and interacting effects of problems facing Dundee, and the commitment of partners is clear.
119. The partnership has developed detailed action plans for each of its five theme groups, and can demonstrate its impact in relation to physical change, economic development, community safety, environmental improvements and responding to communities.



120. However, there is a lack of progress monitoring for the less tangible and more crosscutting issues such as deprivation and health inequalities. The partnership also needs to make more explicit reference to equality issues and sustainability implications in its policy decisions and activities.

121. The main challenges for the partnership to tackle include managing the population decline by attracting and retaining families and young people, reducing deprivation, developing local employment skills, and managing the demands on a city made by its surrounding areas.

Customer focus

The council can demonstrate a focus on citizens and a strong commitment to involving communities in decision-making through local community planning, Neighbourhood Partnership Networks, delegation of funding to community groups and specific examples of involving users in service design and delivery. The development of an updated Customer First strategy provides the opportunity to take this a step further.

122. Dundee City Council has a long history of involving residents in community regeneration. This early start has matured over time and there is strong evidence of a cultural shift towards genuine involvement and participation over many years.

123. The council's approach to designing and delivering its services around citizens' needs is broader than its focus on regeneration and local community planning. Notable examples include the Housing repairs service, Social Work's single shared assessment process, and Communities' approach to services for young people.

124. There is evidence that the council is becoming more responsive to customers, and we have described earlier some examples of electronic service delivery aimed at improving customer satisfaction through the *Customer First* strategy. In addition to this, the council carries out an annual consumer survey.

125. Results from the 2003 survey showed that an increasing number of citizens thought the council communicated well with the public compared to the previous year, but while this indicated an improvement, only 49% of citizens who responded thought this was the case. 53% of the public thought the council listened to complaints, the same number believed the council had the resources to do a good job, and citizens were generally positive about telephone and office contact with the council. Two areas of public satisfaction deteriorated significantly in the year since the previous survey. 64% of citizens thought the council provided a good range of services compared to 82% the year before, and 55% thought the council provided good quality services compared to 76% the previous year.



126. Although the survey has a high political profile, there is limited evidence of it having significant influence in policy or budget decisions. The council may therefore wish to review its impact as part of its plans to update the *Customer First* strategy.

Equal opportunities

The council has made a high-level commitment to equal opportunities and annual reporting shows that steady progress is being made, but there remains scope for further mainstreaming across services. The council must ensure accurate reporting on Statutory Performance Indicators in future.

127. The council is aiming to mainstream equalities into all its activities and a number of initiatives have been put in place to promote this. In November 2004, the council adopted Equality Schemes and three corporate task groups on Race Equality, Gender Equality and Disability Equality oversee their implementation, monitoring and assessment.

128. All plans, policy documents and committee reports must include a statement of implications for equality. Other initiatives include departmental equality action planning and implementation of an electronic diversity training programme, which widens access to equalities training.

129. Departmental and corporate monitoring systems are being developed. The council is implementing a system for corporate reporting of departmental data and is aware that it needs to use this for target setting. While service plans refer to equalities, some are limited in their approach and use of performance targets to monitor progress.

130. There are some good examples of service-led equalities initiatives, including the Employment Disability Unit. The unit aims to create employment opportunities for disabled people and to assist people with disabilities to find and maintain work. An Equality and Diversity Partnership has been established to ensure the development of good practice, and influence progress towards equality. The 2003/04 Council Plan report noted that the Social Work welfare rights service had generated nearly £2 million in previously unclaimed benefits for citizens.

131. While the council has adopted some good processes, their success will depend on the commitment of all departments and this is mixed at present. More robust corporate management would ensure adherence to minimum standards across services. The council recognises that diversity and equality still feature as an add-on rather than a mainstreamed part of service design and delivery and must ensure that progress is made in this area.



Sustainable development

There are a number of good examples of departmental work, projects and initiatives that deliver economic, environmental and social well-being, but there is no systematic, corporate approach to sustainable development in its broadest sense.

132. The council has put in place a number of new initiatives illustrating its commitment to economic, environmental and social well being. These are discussed below.

- The council's attempts to support sustainable communities through, for example, the roll-out of Integrated Community Schools will help to strengthen community and partnership networks.
- The Economic Development Department, along with other council services and external partners, has been successful in turning around a bleak economic picture following the decline of manufacturing industry.
- The council's approach to waste management and recycling is commendable, and it has made clear efforts to improve maintain and develop the city's green and built environment.
- The community plan is concerned with sustainable social stability with an emphasis on involving communities in the regeneration of their areas and in the design and delivery of services.
- Sustainable procurement policies have been adopted by Architectural Services. Planning and Transportation services have made significant improvements to public transport, and Housing has made strides in tackling fuel poverty. This is described in the following case study.

Case study

Dundee Energy Efficiency Advice Project (DEEAP)

DEEAP was established in 1998 by the Housing Department and SCARF (Save Cash And Reduce Fuel) to tackle significant problems of fuel debt and fuel poverty across all house types.

A key part of the work is making links with local communities in regeneration areas, raising the profile of the project and working closely with fuel companies in cases of disconnection and fuel debt.

Initiatives planned for the year ahead include Beat the Clock (helping older people to reset their heating timers for winter), continuation of a pilot schools project to use renewable energy sources, fuel poverty strategy actions, and an initiative with Scottish and Southern to achieve affordable warmth.



133. The council is currently reviewing its approach to environmental sustainability by developing an environmental strategy and a sustainability policy. While there are some examples of good practice, the council needs to better articulate its corporate approach to sustainable development, and provide a comprehensive picture of its activity.



Part 3: How do services perform?

With its performance management framework still developing, the council does not yet have a rounded picture of the performance of all its services. The information that is available suggests that while council services generally perform well, there is evidence of deterioration in some areas.

134. There is considerable variation in how departments report their performance so it is difficult to draw a rounded picture of how well services perform. We have taken information about service performance from a number of sources including statutory performance indicators, reports published by other external scrutiny bodies and the council's own assessment of how it is doing.

135. From an overall perspective, statutory performance indicators for 2003/04 show that council services are performing well ([Exhibit 7](#)). Dundee is the seventh highest ranked council in Scotland for the number of indicators in the upper quartile. This profile is similar to that of 2001-02, when the council had 21 indicators in the upper quartile (compared to 23 for 2003-04) and 12 indicators in the lower quartile (compared to 14 in 2003-04).

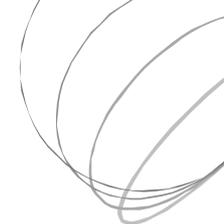
Exhibit 7

Statutory Performance Indicators compared with Scottish councils: Number in each quartile by service area

	Upper quartile	Middle quartiles	Lower quartile
Adult Social Work	3	6	6
Benefits Administration*	0	1	1
Children's Services	1	6	2
Corporate Management	3	2	5
Cultural and Community Services	4	5	0
Development Services	4	2	0
Housing*	1	5	0
Protective Services	4	3	0
Roads and Lighting	1	2	0
Waste Management	2	3	0

* This omits two sets of data on indicators relating to Benefits Administration and Housing that were unreliable.

Source: Audit Scotland Statutory Performance Indicators 2003/04



136. Services generally perform well, but there is evidence of a trend towards performance deterioration in some areas (Exhibits 7 and 8). Statutory Performance Indicators show that between 2001/02 and 2003/04 performance deteriorated by more than 15% in parts of children’s services and adult social work, as well as in relation to sickness absence, benefits administration and management of rent arrears.

137. They also show that the council has the second highest cost of collecting council tax per dwelling and the second poorest in-year collection rate in Scotland. A recovery initiative to improve collection rates was approved by the council in May 2003, with a projected start date in April 2004. However, difficulties with software delayed the actual start date until October 2004. The council is confident that the team will bring real improvements to collection levels and reach its target of 90% collection level by 2007.

138. The council has the second highest cost for each housing benefit case, £86.09 compared to the Scottish average of £47.90. In 2003/04 it took 86 days to process new benefit claims against a Scottish average of 47 days, and 26 days to process changes in circumstances, compared to 12 days on average across the country. The council reports improvements in these areas for 2004/05, with new benefit claims being processed in 56.8 days and changes of circumstance being processed in 20.5 days. Performance in these areas has a direct influence on rent arrears levels, which are significantly higher than the Scottish average and are not improving.

Exhibit 8

Statutory Performance Indicators: Performance change between 2001-02 and 2003-04

Band	Performance change between 2001-02 and 2003-04								Ratio of improvement to decline
	Measures that declined by...				Measures that improved by...				
	>15%	10-14%	5-9%	Total	5-9%	10-14%	>15%	Total	
Dundee	6	3	9	18	2	-	3	5	0.3
Scotland average	6.0	2.6	3.8		3.3	1.9	7.7		
Scotland total				396				411	1.0

Source: Audit Scotland Statutory Performance Indicators 2003/04



Education

The Education Department demonstrates a significant commitment to quality improvement. There does, however, remain a need to improve attainment and achievement in the city, and the Department is reviewing its approach as a result.

139. Education is the largest department in the council. It has over 2,000 staff and over 20,000 pupils across more than 70 locations throughout the city. Overall, the Education Department is innovative and widely regarded in its work in such areas as Support for Learning, Early Years, ICT, Enterprise Education and Learning Together in Dundee.

140. The council's education services are monitored through a number of internal and external mechanisms. It undertakes an internal annual review of progress in all key areas. Her Majesty's Inspectorate of Education (HMIE) inspected the council in 2001 (INEA 1) with a follow-up visit in 2003. In the 2001 report, of the eleven quality indicators used by HMIE in the inspection:

Two were judged to be **very good**;

- Vision, values and aims.
- Service Planning.

Nine were judged to be **good**;

- | | |
|---|--|
| ▪ Leadership and management. | ▪ Resource management. |
| ▪ Policy development. | ▪ Financial management. |
| ▪ Consultation mechanisms. | ▪ Measuring, monitoring and evaluating performance. |
| ▪ Communication mechanisms. | |
| ▪ Deployment and effectiveness of centrally employed staff. | ▪ Approaches to continuous improvement in performance. |

None were judged **fair** or **unsatisfactory**.

141. The 2003 report stated that the council had made very good progress in the five main areas of action identified in the previous report. It concluded that the Education Department:



“...demonstrated its capacity to sustain strengths and make significant improvements... and put in place effective measures to support improvements and address areas of weakness...it was evident that the Department has responded very positively to the initial inspection report.”

142. The 2003 report referred favourably to a relatively stable staffing situation, good support for the director and other senior managers by members of staff; and good practice in self-evaluation and action for improvement. The report concluded by noting “...*forward momentum across local and national priority areas*” and, as a result of the overall progress made by the council, advised that no further visits would be made in connection with the INEA 1 inspection.
143. The department has recently put in place a revised strategy for quality improvement, based on key quality improvement processes such as school self-evaluation and school and head teacher review. This strategy is likely to come under closer scrutiny in coming months as the council reviews attainment and achievement.
144. Educational attainment in Dundee has recently taken on a high public profile. The council attracted some negative publicity with the publication of attainment results in 2005, and the subject was debated at the Education Committee. Dundee’s attainment figures levels remain well below both national and comparator authority averages. However, there has been improvement (which has been acknowledged by HMIE), and in particular, the rate of improvement compares well to similar authorities.
145. As a result of the impact of the current attainment figures, the council has agreed to undertake a wide-ranging review of its various strategies aimed at raising attainment. This will place particular emphasis upon the impact of deprivation on attainment in Dundee, as well as other aspects of education.
146. It is not yet possible to make any assessment of the likely impact of the review. Nevertheless, its aim to include a wide range of stakeholders in its scope is consistent with good practice. The council’s current strategy with the aim of improving learning - *Learning Together in Dundee* - also brings together a number of stakeholders. These examples demonstrate openness on the part of the council in debating the way forward for its biggest service.
147. The cost of school education in Dundee as indicated by gross revenue expenditure per pupil, in comparison to both its comparator groups and the other three cities, tends to be high for secondary schools and low for primary schools. Although it is difficult to attribute this to any specific factor, the council points to a relatively high number of teachers inherited at local government reorganisation in 1996.
148. The council recently agreed to further roll out its integrated community school (ICS) programme. The department points to its previous pilot work, based around the Baldrigon Academy cluster, which was



able to demonstrate that the ICS approach could be built upon already strong partnerships and joint working arrangements.

149. The council has embarked upon a programme of new school building and school improvement, using both Public Private Partnership (PPP) and traditional capital financing. The timetable for the PPP programme has slipped, but the council remains committed to its principles. The statutory performance indicators show that at least half of Dundee's primary schools are seriously under-occupied (51.2% had a ratio of pupils to places at 60% or less, compared to Scottish average of 33.2%) as are two of the city's ten secondary schools. The council has completed a review of its school estate, but occupancy and associated cost implications will remain a particular pressure.

150. In relation to special educational needs (SEN), the department has been consistently better than the Scottish average in the time taken for SEN assessments, perhaps reflecting the priority given by the Department to this area. Indeed, HMIE commended the Department for the '*very good progress*' it had made in its review of policy and provision for pupils with social, emotional and behavioural difficulties.

Social Work

The Social Work Department is beginning to see the benefits of its approach to performance management, process development and service review, and recognises where further improvement is required. It has made a strong commitment to workforce planning and joint working.

151. A new culture of performance improvement is growing throughout the Social Work department accompanied by a willingness to try new ways of working that will improve outcomes for service users. The department understands and accepts what it needs to do better, and is applying Best Value principles in its drive for improvement.

152. Dundee's levels of deprivation mean it is inevitable that Social Work is one of the council's highest demand services. While the overall population of the city continues to fall, the number of older people continues to rise and the mismatch puts a considerable strain on social work budgets. This trend has already been reported to the council, which has approved eligibility criteria that prioritise service access to the most vulnerable citizens. The council approved a new integrated approach to the balance of care and service development with NHS partners in November 2003. This sets out current and projected demand for community care services for older people between 2003 and 2008, and describes how the additional capacity required by the growing population of older people in the city will be resourced.



153. The department has a clear service plan that highlights specific actions and timescales, and identifies lead officers responsible for implementation. These officers are accountable for service plan performance through the corporate service-planning database that is updated online and reported to the departmental Senior Management Team.

154. The department has made strong efforts to drive a new culture of performance management throughout that is beginning to show encouraging results. The use of business process review techniques and the introduction of the *First Contact Team* have dramatically reduced the time taken to complete Single Shared Assessment (SSA) for people who need community care services, from 68 days to 2.7 days. This is described in the case study below.

Case study

First Contact Team - Single Shared Assessment

The First Contact Team was established in 2004 and comprises both Social Work and NHS staff. It draws on collective knowledge and experience to assess the needs of community care service users, develop a care plan, and arrange a package of services. Service delivery times have been substantially accelerated as a result.

The team was established following a systems review of the assessment process for care of the elderly. Taking a systems approach, the group carried out joint assessments, identifying the steps within the process that delayed the delivery of services. The group demonstrated the advantages of closer working relations that arise from the relocation of staff, and streamlining data collection.

As part of the review process, referral routes and assessment processes were mapped and examined, and data were collated and analysed. These demonstrated that the assessment of need took an average of 67.8 days to complete. It now takes on average less than 2.7 days to complete. The key difference is that the assessment is now completed by a dedicated team instead of relying on the efforts of individuals in Social Work, Housing and the NHS.

155. Statutory Performance Indicators (SPIs) provide a mixed picture. At the lower end of the spectrum, the time taken to complete Social Background Reports on children who may be in need of care or control has now entered the lowest quartile with the council's performance ranked 27 out of 32 in the country, and measures of home care provision fall consistently within the lowest quartile ([Exhibit 9](#)).

156. The SPIs do not capture all components of the department's approach to home care, which includes a range of low-level practical supports such as help with shopping and laundry that are designed to maintain people in their own homes in line with the Joint Future policy.

157. The department is aware of the need to improve its performance in relation to the home care SPIs, and has initiated a whole-system review of the service involving staff at all levels. The review is looking at capacity planning, systems, staff development and standards. It will seek to address



inefficiencies in the service together with identifying quality measures and outcomes for older people. Its overall aim is to create additional service capacity and raise standards.

Exhibit 9

Home Care

Statutory Performance Indicators 2003/04	Dundee	Rank	Scottish Average
Total hours as a rate per 1,000 population aged 65+	262.6	32	512.2
Number of home care clients aged 65+ receiving personal care as a percentage of clients	47.7	28	57.2
Number of home care clients aged 65+ receiving care in evenings/overnight as a percentage of clients	15.0	28	25.5
Number of home care clients aged 65+ receiving care at weekends as a percentage of clients	25.2	29	47.2

Source: Statutory Performance Indicators, Audit Scotland

158. The department's performance in relation to the levels of qualified staff in care homes for older people, privacy for older people who live in care homes, and for children living in care homes are all within the top quartile, meaning these services are amongst the top eight councils in the country. The 2003 Audit Scotland report *'Dealing with Offending Young People: A follow-up report'*, shows that 96% of cases reviewed were receiving an appropriate level of service.
159. The most recent report by the Social Work Services Inspectorate in 2003 found that Dundee had made a great deal of progress in shifting the balance of care, but should develop more community based mental health services, provide more joint training opportunities for staff working with looked after children, and harmonise criminal justice procedures, systems and practice with its partner councils.
160. The department has demonstrated innovation in its efforts to recruit and retain staff. It currently has a group of staff on the Scottish Executive's fast track scheme for qualified social workers as part of a deliberate strategy to grow its own. It has established a Social Care Academy in partnership with Dundee College and Scottish Enterprise Tayside aimed at developing indigenous talent, and the early signs are encouraging with around 75% of trainees on-course to become social care staff.
161. Staff sickness levels are higher than the council average. The management team recognises that sickness absence is a major cost to the service and monitors the level on a monthly basis. Work is underway to identify absence hotspots.



Housing

A Tenants Federation survey led to the council deciding to retain its housing stock, but a very small proportion of tenants took part in the vote. However, the council will need to consider again the future of its housing stock if the external funding needed to improve the quality of its houses is not achieved. The Housing Department has a clear understanding of the challenges it faces and is committed to working with partners to provide improving services focused on tenants and localities. Performance is monitored and managed well, but rent arrears and rent loss on empty houses remain a problem.

162. Dundee City Council owns and manages over 16,000 properties. A survey of tenants' views in relation to the whole transfer of the housing stock to another provider, conducted by the Tenants Information Service (TIS) on behalf of Dundee Tenants Federation, resulted in approximately two thirds of respondents expressing a preference to remain with the council. The response rate was very low, however, at 3% of tenants. The council should consider whether this provides an adequate basis for its decision to retain the housing stock.

163. The council's plans are now based on retention of the housing stock, and it is developing a delivery plan including stock improvement and demolition programmes to ensure that its houses meet the requirements of the Scottish Housing Quality Standard. The delivery plan is dependent on further external funding and the Housing Department must consider the implications for the future of the housing stock if this funding is not forthcoming.

164. The Housing Department has developed a strong system for measuring and managing performance based on SPIs and other locally developed indicators. The service performs well on SPIs with the exception of rent arrears and rent loss due to empty property. Rent loss on empty properties has improved on previous years but remains higher than the Scottish average. The service is aware of this and a Best Value review will be examining this area of performance.

165. Rent arrears have been increasing and in 2003/04 stood at 11.4% of rent due to the council. This compares with a Scottish average of 7.9%. The level of rent arrears is directly related to the backlog of housing benefit claims and the council must take action to address this.

166. Dundee's homeless assessment and placing process is effective. The Housing Department performs particularly well in terms of the SPI measuring the proportion of households who re-present as homeless within a year (4.4% compared to the Scottish average of 16.3%).

167. There is evidence that the service is committed to improvement and open to change. This can be illustrated by the development of a dedicated repairs contact centre. This has resulted in the number



of repairs completed within target times increasing by 6% to 87%, costs per repair going down by 7%, total service costs going down by over 10% (saving almost £630,000) and an increase in tenant satisfaction.

168. Elected members receive an annual performance report that shows progress against performance indicators and key projects. Tenants receive an annual housing performance report, *Housing News*. This document has a nice balance of performance indicators, statistics, project updates and general advice and information in a magazine style, although areas of poorer performance are under played and improvement actions are not included.

169. 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. There are a number of good practice examples illustrating the service's progressive and proactive approach to community issues, involving all relevant agencies in the design of appropriate solutions. One such example is described in the following case study.

Case study

Dealing with anti-social behaviour

A specialist Anti-Social Behaviour (ASB) Team was established in 2001 to provide advice and assistance to residents who are experiencing problems caused by anti-social behaviour. The service includes an out of hours professional witness service, surveillance equipment including covert cameras and sound monitoring equipment and a 24 hour Hotline.

A Community Intelligence Unit (CIU) was established between Tayside Police and the ASB team to increase the quantity and quality of information sharing. The CIU acts as a depository for community intelligence that is analysed to identify and tackle emerging problems.

Other early intervention methods include Dundee Families Project (DFP), which provides intensive support for families to help them change their behaviour to avoid eviction. In the most extreme cases, families can receive 24 hours a day 7 days a week support and monitoring in a dedicated housing block. The process is not an easy option, and can take many months of intensive work, however external evaluations have shown it to be highly effective in modifying behaviour and enabling families to go on to maintain tenancies.

170. The Housing service can also demonstrate a strong focus on its customers. Tenants are involved in housing policy development at an early stage and the council provides them with independent assistance as appropriate.



Communities

The Communities Department demonstrates a clear commitment to Dundee's citizens and communities and is developing new ways of bringing the council closer to them.

171. The Communities Department sits within the corporate centre as part of the Chief Executive's Department, suggesting that this is an area that is a corporate priority.

172. The main aims of the service are to promote community learning and develop ways of involving communities in council activities. The council has a long history of involving communities in community regeneration and remains committed to developing this area. The service piloted Communities Scotland's community engagement standards and is developing neighbourhood representative structures for all electoral wards. Local community planning is well established and is supported by the Communities Department.

173. Joint working with other key council services and community planning partners is organised through neighbourhood partnership networks. These local networks are supported by the Communities Department through dedicated community officers and the networks focus on implementation of local community plan priorities.

174. The department has a well-developed approach to measuring and managing its performance, and is commended for focusing not only on the volume of activity undertaken but also the social impact of that activity.

175. The following case study describes one of the key initiatives that the service is involved with.



Case study

The Corner Young People's Health & Information Project

The Corner Young People's Health and Information Project is a working partnership between Dundee City Council, NHS Tayside, Tayside Primary Care Trust, The Scottish Executive and young people. It provides an integrated range of health and information services through its city centre drop-in facility and outreach work. The multi-disciplinary staff team combines the disciplines of nursing, health promotion and youth work, as well as a family planning doctor.

More than 200 agencies have referred young people to the project. Young people say that they value the project, and see The Corner as different because there are caring and helpful staff who show them respect and offer informal learning and support on issues they would not feel confident in raising with other agencies, including; employment, school difficulties, homelessness, mental health and relationship difficulties.

The Corner contributes to health improvement in young people in Dundee through action to prevent ill health and promoting positive health choices. A reduction in teenage pregnancies in the city has since followed since the project was established with 49 recorded in 1995/96 falling to 28 by 2002/03.

Planning and Transportation

The Planning and Transportation Department has swiftly developed its approach to performance management in recent years. This has allowed it to demonstrate steady improvement across its services.

176. The Planning and Transportation Department has been at the centre of the city's physical and economic regeneration, and has driven much of the council's approach to modernising its services through the use of information and computer technology.

177. The Department brings together four functions:

- Planning
- Engineering
- Transportation
- Support Services.

178. Overall, there is evidence that the department has increasingly placed performance improvement at the heart of its management activity. Its previous service plan did not reflect the key challenges facing the department, but the current 2003-07 plan has addressed this and contains substantial information



on key performance measures and targets. The department has applied the EFQM self-assessment model, which previously identified areas of management where improvement was needed - such as a need to improve interaction with customers - all of which have been taken forward in the current service plan. A more recent assessment, done on a more comprehensive basis, aims to identify further areas of improvement.

179. Current major projects led by the Planning Division include the review of Dundee Local Plan, the completion of the Development Plan for Dundee, and the commencement of preparation for a new Dundee City Region Plan in line with the Scottish Executive's review of the planning system. It also plays a lead role in major public realm improvements in the city, such as the waterfront redevelopment and the Stobswell Plan.
180. The most recent performance report for the Planning Division showed that steady progress is being made across these activities. SPIs have shown that the council has been consistently around the Scottish average in the time it takes to deal with planning applications: the council states that it is keen to improve the quality of the service rather than necessarily its speed. The speed of its building control service is in the top quartile of Scottish councils.
181. The Engineering Division was able to demonstrate good progress in its most recent report to Committee. It is however worth noting that Audit Scotland's 2004 Report *Maintaining Scotland's Roads* indicated that Dundee is among the quarter of Scottish councils with the highest percentage of their roads that should be considered for repair. It also ranked amongst the lowest quarter of councils in terms of spending on structural maintenance. The council achieves consistently good SPIs in relation to traffic and street light repairs.
182. The Transportation Division is currently completing a revised Local Transport Strategy. Two major projects are *Bringing Confidence to Public Transport* and the roll-out of 20mph limits throughout the city. The department anticipates that these will demonstrate positive impacts in the medium to long term. Again, the most recent report of performance to Committee shows good progress on the range of projects being undertaken by the Division.



Leisure and Arts

The Leisure and Arts Department plays a central role in the council's drive to make Dundee an attractive place to live and work, and plays a major role in its efforts to tackle social exclusion. The service is innovative and responsive to citizens, and has set a clear course for the future.

183. The Leisure and Arts Department has engaged well with Best Value principles and processes, and is able to demonstrate systematic improvement as a result.
184. The Dundee Partnership identified culture and leisure as a mechanism for changing how the city is perceived, and the Leisure and Arts Department has been at the forefront of its cultural renaissance over the last decade.
185. The city has a well-developed Cultural Strategy. It provides a point of focus for the development of arts in the city, and acts as a lever for a variety of funding streams such as the Heritage Lottery Fund and European Regional Development Funding. The council coordinates the strategy for the city as a whole, and works with a number of partners to deliver it. There are clear systems in place to monitor the impact of the strategy. These include targeted service level agreements with the main providers such as Dundee Contemporary Arts (DCA), and regular reporting to elected members.
186. Overall attendance figures for the city's leisure and arts facilities show an increase, but have fallen in three important areas: the McManus Gallery, Broughty Castle and the DCA. Work is underway to reverse these trends with the refurbishment of the McManus Gallery, and establishment of audience development plans as part of DCA's service level agreement.
187. The department has developed sophisticated methods for consulting service users and gauging their views. Feedback is requested at the point of service delivery, and user forums play an active part in developing services, such as the parks. It works closely with the Communities Department creating virtual teams working across a range of disciplines to engage the most excluded communities in leisure and arts services. The Passport to Leisure scheme described in the case study below illustrates how this approach works in practice.



Case study

Passport to Leisure

Passport has been running since the mid 1990s. The Neighbourhood Safety Partnership originally developed it as a programme to reduce the levels of crime during the school summer holidays in the northeast suburb of the city. It now covers the whole of the city and includes a mixture of private/public sector provision.

The Passport Scheme works by providing every one of the 21,000 school children in Dundee with a Passport that provides discounted access to council pools and other leisure facilities. Travel cards funded through a Big Lottery grant award allow all secondary school children to travel to Passport events throughout the summer.

Service user surveys are undertaken each year. The last survey of 707 customers indicated they were either satisfied (45%) or very satisfied (50%), with only 5% indicating they were dissatisfied with the Passport scheme.

188. Service efficiencies are being sought through freezing vacancies, making greater use of temporary contracts and reconfiguring the permanent staffing establishment. The number of permanent staff on the parks service is being reduced to give a core of permanent staff supported by an outer ring of temporary seasonal staff.

189. The department has generated around £4 million through the sale of membership based leisure packages. This level of success has resulted from a review of target markets and using spare capacity. Income has been used to enhance front-line service delivery and offset the impact of savings in the service budget. Statutory Performance Indicators for 2003/04 show an increase of more than 15% in the number of attendances at pools since 2001/02, putting the service amongst the top eight councils in Scotland.

190. The department has put in place a comprehensive performance management system including extensive use of EFQM to identify strategic performance priorities. It has devised 64 performance targets, 13 of which tie into the corporate plan. The departmental management team discusses performance on a quarterly basis, and lead officers are given responsibility to deliver on specific action points.



Economic Development

Through its work with partners, the Economic Development service can demonstrate that it has had an impact in turning around the economic position and physical environment of the city. The service now needs to focus on its role in tackling the mismatch between job opportunities and skills, reversing the population decline, and reducing poverty in the city.

191. The Economic Development service plan defines the service's four key strategic goals of developing and promoting Dundee as a regional centre, an employment and investment centre, a centre for innovation and enterprise, and tourism and visitor centre.
192. The service plan provides a list of objectives, key performance results and key projects, but there is no action plan detailing lead responsibility. The service collects and reports on a good range of information to demonstrate its impact on improving the economy but there is no systematic reporting of performance information in the annual report to members in respect of the other three key strategic goals.
193. The service has maximised the use of joint working in providing its services and has a long history of partnership working focused on the physical regeneration of the city, and attracting inward investment. It has been instrumental in turning around the economic and physical picture in Dundee, which is illustrated by a wide variety of projects and developments that have contributed to the reduction in unemployment and increases in company growth, employment and wholesale/retail growth.
194. There remains potential for further work with the universities, colleges and other council services such as Communities, Education and Housing in respect of addressing the skills mismatch to alleviate poverty and contribute to the corporate aim of retaining graduates and attracting families to Dundee.

Waste Management

Dundee's Waste Management service performs much better than the Scottish average although waste disposal costs are high.

195. Dundee is well above the Scottish average in the use of landfill alternatives. Statutory Performance Indicators for 2003/04 show that 35.6% of household waste is collected for landfill compared with 84.9% across Scotland. Similarly, 42.7% of commercial and industrial waste goes to landfill from Dundee compared with 87% across Scotland.



196. The service performs well against service plan performance indicators and has identified challenging future targets. Refuse disposal costs are higher than the Scottish average (gross cost per property £73.36 compared to £52.59), but the high level of recycling is a contributory factor; 20.8% of waste produced compared to a Scottish average of 12.3%, making Dundee the third highest recycling area in Scotland.

197. Dundee Energy Recycling Limited processes approximately 75,000 tonnes of waste a year from Dundee, as well as waste from Perth & Kinross and Angus Councils (see case study).

Case study

Dundee Energy Recycling Limited (DERL)

Dundee is the only mainland council in Scotland that has an incineration plant. The council disposes of domestic and commercial waste through Dundee Energy Recycling Limited (DERL), a joint venture company between the council and private partners.

Despite being beset by technical problems and suffering significant financial losses in recent years, the plant is now operating at the required level, dealing with around 75,000 tonnes of waste a year from Dundee.

The council reports that in the last year, DERL has operated at the required level dealing with around 75,000 tonnes of waste from Dundee, as well as waste from Perth and Kinross and Angus Councils, all of which have had a positive effect on the company's financial position.

198. Other examples of waste management include award winning public conveniences and an innovative spring furniture processing plant. This plant extracts and recycles spring steel, and renders soft furnishings for the DERL waste to energy plant. Approximately 1,100 tonnes of waste has been diverted from landfill and up to three tonnes per week of metal recovered to date.



Part 4: What needs to improve?

There is evidence of a strong commitment to Best Value principles across much of the council's activities, but it needs to revise key corporate processes if improvements already made are to be consolidated and built upon.

Developing an improvement culture

199. Continuous improvement in public services and local governance lie at the heart of the Best Value and Community Planning policy framework. Local authorities must develop an improvement culture across all service areas. Elected members and officers must focus on key policy objectives and the needs of service users and communities, and be driven by a desire to achieve the highest possible standards in service delivery. This requires a culture where areas in need of improvement are identified and openly discussed and in which service performance is constructively challenged.
200. There is clear evidence that the principles of Best Value have been accepted and applied in many areas of Dundee City Council's activities, and this is beginning to bring about real change and improvement in service delivery for the people of Dundee. Alongside this, the council can demonstrate a strong commitment to empowering local communities, and getting the best out of partnership working with other public and private sector bodies.
201. We welcome the willingness shown by the council to engage with the Best Value agenda, and recognise the progress it has made. We have identified a number of things in this report that we believe the council could do better. We strongly believe that the council has scope for improvement and the potential to deliver even greater benefits for the people of Dundee.
202. Our primary observation is that while some service areas, including housing repairs and community care assessments, appear to be performing well and showing signs of improvement, some areas of service performance, including benefits administration and staff absence, have been deteriorating. Ongoing attention needs to be given to those areas where a trend of poorer performance is evident.



203. We have also noted variation in performance within services. Differences in standards and approaches to key Best Value processes also exist. These can be addressed through improved arrangements for corporate performance management, scrutiny by elected members and strategic budgeting.

204. The improvement agenda below sets out a number of action points that we believe will focus the council on the priorities for strategic change. These will build on the momentum for improvement that already exists. The agenda will provide the basis for ongoing monitoring during the coming three years by the council's local external auditor.



Improvement agenda for Dundee City Council

- Review the political management and public performance reporting arrangements with a view to increasing openness and transparency of decision making, and ensuring members get better opportunities to exercise scrutiny, and greater public accountability.
- Ensure that members take a more active role in reviewing the performance of services, and take steps to ensure more systematic and comprehensive reporting from services to service committees.
- Develop and implement an HR strategy that will ensure effective corporate management of staff absence, and ensure the council's staffing establishment is as streamlined and targeted as possible.
- Develop more coherent links between planning and budgeting and allocation of resources in accordance with policy priorities and objectives.
- Review the format, content and frequency of financial reports to ensure members receive adequate information to monitor the financial position.
- Review the role of the CMT to bring a greater degree of corporate discipline to performance management, service review, and option appraisal ensuring these are properly linked with corporate planning and budget setting processes, and are better placed deliver continuous improvement.
- Review the council structure to ensure a better fit with corporate objectives, the needs of service users and organisational efficiencies.
- Review the impact of community planning with the planning partners to ensure that all partners are directing adequate resources to agreed priorities.
- Take steps to share good practice more widely and systematically within the council, and make better use of benchmarking and option appraisal building on examples of these already being used in parts of the council.
- Ensure that all service plans are SMART and that these and council strategies are able to demonstrate that they respond to customer views as expressed through consultations and surveys.
- Take steps to ensure that the council can demonstrate its commitment to equal opportunities in its service delivery, and show progress with its overall approach to sustainable development.

Dundee City Council

The Audit of Best Value and Community Planning



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