



The Audit of Best Value and
Community Planning

Clackmannanshire Council



Prepared for the Accounts Commission
September 2007



The Accounts Commission

The Accounts Commission is a statutory, independent body which, through the audit process, assists local authorities in Scotland to achieve the highest standards of financial stewardship and the economic, efficient and effective use of their resources. The Commission has four main responsibilities:

- securing the external audit, including the audit of Best Value and Community Planning
- following up issues of concern identified through the audit, to ensure satisfactory resolutions
- carrying out national performance studies to improve economy, efficiency and effectiveness in local government
- issuing an annual direction to local authorities which sets out the range of performance information they are required to publish.

The Commission secures the audit of 32 councils and 41 joint boards (including police and fire and rescue services). Local authorities spend over £14 billion of public funds a year.

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.

Contents

The Audit of Best Value

Page 2

Commission findings

Page 4

Overall conclusions

Page 6

Part 1. Does the council have clear strategic direction?

Page 9

Context

Page 10

Leadership and culture

Council structures

Page 12

Setting a clear direction

Page 15

Community planning and partnership working

Page 16

Involving communities

Page 17

Accountability and openness

Page 18

Reporting to the public

Page 19

Part 2. Is the council organised to deliver continuous improvement?

Page 20

Scrutiny

Performance management

Page 21

Improvement and review

Page 22

Competitiveness

Page 23

Managing risk

Managing resources

Page 24

Equal opportunities

Page 28

Sustainable development

Page 29

Part 3. How do services perform?

Page 30

Statutory Performance Indicators

Page 31

Antisocial behaviour

Page 32

Services to people

Page 33

Development and environmental services

Page 39

Part 4. What needs to improve?

Page 43

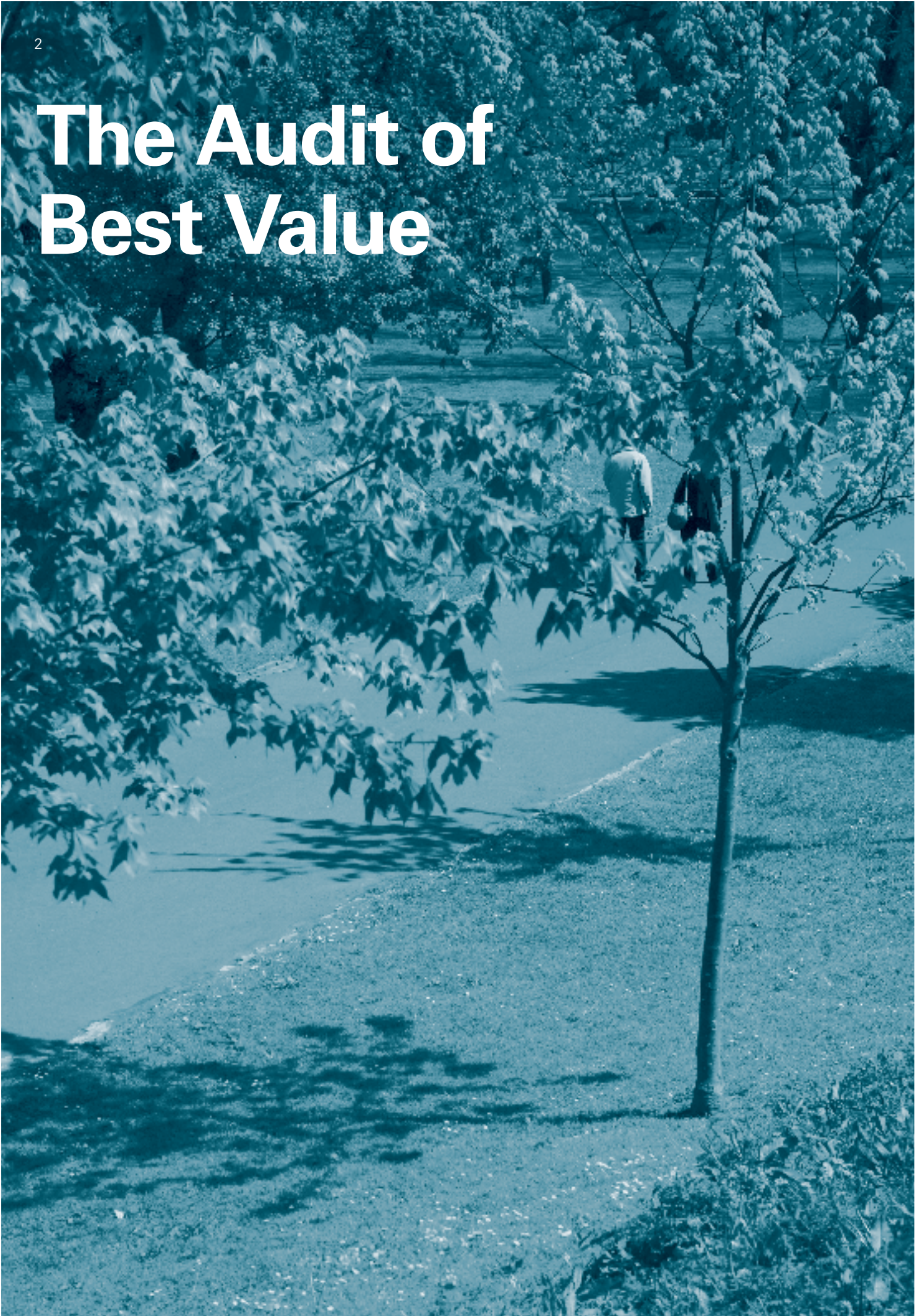
Developing an improvement culture

Page 44

The improvement agenda for Clackmannanshire Council

Page 45

The Audit of Best Value



This report is made by the Controller of Audit to the Accounts Commission under section 102(1) of the Local Government (Scotland) Act 1973. After considering it the Commission may do any or all of the following:

- direct the Controller to carry out further investigations
- hold a hearing
- state its findings.

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 Clackmannanshire Council is meeting its duties under the Local Government in Scotland Act 2003
- agree planned improvements with the council that 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 (SPIs), informs this selection.

The report reflects this selective approach, with detailed commentary on some areas and limited or no coverage in others. We have made some comparisons with other councils, but our overall approach has focused on performance trends and improvement within Clackmannanshire Council. The report reflects the picture at the time our main audit work was conducted in August and September 2006. It has taken longer than usual to finalise this report due to the impact of local government elections in May 2007 and the appointment of a new chief executive.

Following the May 2007 elections, the council has a new minority administration with a new leader of the council. The chief executive, Keir Bloomer, retired in May 2007; he was replaced by Dave Jones, the former director of Services to People, on an 18-month fixed-term contract following an internal competition for the chief executive post.

We gratefully acknowledge the cooperation and assistance provided to the audit team by councillor Margaret Paterson, leader of the council until May 2007; councillor Janet Cadenhead, leader of the council from May 2007; Keir Bloomer, chief executive until May 2007; Dave Jones, chief executive from May 2007; Elaine McPherson, head of Strategic Policy; and all other members and officers contacted during the audit.

Commission findings



1. The Commission accepts this report on the performance of Clackmannanshire 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 council faces a number of significant challenges which are specific to its situation. They arise from the scale of the council, the social and economic circumstances of its area and its geographical location and transport links. The council's progress towards Best Value has not matched its aspirations due to its limited capacity, high numbers of priorities and lengthy improvement agenda.

3. To achieve Best Value the council needs to improve aspects of its corporate activity, including:

- effective leadership by elected members
- sharper prioritisation and clearer articulation of vision, priorities and policies with resource decisions
- consistent vision in corporate and community plans
- political structures which give clarity on roles and responsibilities
- a coherent approach to competition in relation to service delivery mechanisms
- development of a Human Resources strategy.

4. The council has successful achievements to its name in a number of areas of service provision such as child and adult care, recycling, traffic light repair and dealing with planning applications and noise complaints. There are areas where it needs to improve, including educational attainment, aspects of housing, respite care, food hygiene and trading standards inspections, cultural and community services and refuse complaints. It also needs to make urgent progress in implementing Single Status for its workforce and in the collection of council tax.

5. The council has shown that it can work with others, particularly in the development of its community planning partnership. Because of issues of scale and capacity, it is vital that it now places the highest priority on more joint working, sharing management and service delivery arrangements with others, particularly other councils. We look forward to receiving an improvement plan from the council which addresses the questions raised in the Best Value report and these findings and sets realistic timescales for developing the joint working referred to above.

Overall conclusions



Clackmannanshire Council faces significant challenges with limited capacity. Its efforts to promote Best Value have not progressed as planned and it needs to improve in a number of areas. It has established a wide-ranging improvement plan with an ambitious timescale for delivery. Members and officers of the new council need to provide stronger leadership for continuous improvement. They need to review political and managerial structures, establish a clearer strategic focus with fewer, clearer priorities, clarify scrutiny arrangements, and make community planning and engagement with local communities more effective. They also need to manage staff better and engage them in developing an improvement culture.

The council provides good services in parts of social work, planning and building control, and waste recycling. Education services have been praised by Her Majesty's Inspectorate of Education (HMIE) for their innovation, but there is a need for improvement in educational attainment and in housing, environmental health, community learning and development, and trading standards. The council is working well with its partners in community care and has established multi-agency structures to tackle antisocial behaviour.

The council has developed systematic service planning arrangements and improved its management of risk and resources such as finance, Information and Communications Technology (ICT) and assets. It is making progress in providing equality of opportunity and sustainable development.

The council now needs to develop a more integrated approach to improvement. It can generate additional capacity by improving its engagement with staff, communities and partners.

- 1.** Clackmannanshire has an attractive environment and a good location in the middle of the central belt of Scotland. It is the smallest mainland Scottish council with a population of less than 49,000, and it has the second smallest land area (159sq km) of all Scottish authorities.
- 2.** The council faces a number of social and economic pressures. The number of severely deprived areas within Clackmannanshire has been increasing and a high proportion of its area is among the most deprived in the country. There are relatively poor transport links, although new developments are under way with the building of the Stirling-Alloa-Kincardine railway, a new river Forth crossing and an improved road link with Stirling.
- 3.** The council's compact area confers some potential advantages such as more efficient communication with communities, staff and partners, and the delivery of more responsive local services. But its size also limits its capacity to make economies of scale and develop a strong infrastructure.
- 4.** The council needs to improve in a number of areas and its efforts to promote aspects of best value over the past few years have not progressed as well as planned. Until recently, the vision and leadership of the council has been provided mainly by officers. More effective relationships between elected members and officers have developed since 2005 and there is now a clearer commitment to improvement in the future.
- 5.** The council's vision is not consistently described in the corporate and community plans, especially in relation to its cross-cutting themes. The council would benefit from agreeing fewer, clearer priorities to focus its scarce resources on the areas of greatest need. The council has developed a systematic business planning framework to link its corporate vision and priorities to the work of its services. It can build on this to provide a clearer link to resource allocation. There is scope to improve the strategic focus of the Executive Team (ET) and to develop a more systematic performance monitoring role for the ET and Corporate Management Team (CMT).
- 6.** The political structures require review to clarify the roles and responsibilities of the council's committees, sub-committees and working groups, and the part played by service representatives. There is also a need to tackle the tension between the policy and scrutiny roles of the Overview Panel.
- 7.** The council needs to ensure that it consistently adheres to openness and transparency in decision-making. More needs to be done to clarify the respective roles and responsibilities of elected members and officers and there is scope to improve accountability in relationships with arms-length organisations.
- 8.** Partnership working has a relatively long history in Clackmannanshire with strategic partnerships in health and economic development established in the 1990s. However, the first community plan was only published in 2006. The Clackmannanshire Alliance has established a potentially effective structure for community planning but needs to better demonstrate impact against its targets. The council has some effective partnerships for delivering important services, including community care services with NHS Forth Valley and tackling antisocial behaviour with Central Scotland Police.
- 9.** The council's performance in delivering services varies across the organisation, with an above average proportion of Statutory Performance Indicators (SPIs) among the best performing councils in Scotland, but also a slightly above average number among the worst performing councils.

10. The council has received praise from HMIE for some innovations in education services, such as the Synthetic Phonics and Thinking through Philosophy initiatives. The 2005/06 SPIs show that social work, planning and building control, and waste recycling perform well, but point to weaker performance in aspects of educational attainment, housing, community learning and development, environmental health, and trading standards.

11. Improving transport infrastructure has been a priority for the council. Its Local Transport Strategy 2006-09 complements the council's efforts to promote growth and regeneration, and additional investment in the condition of the roads is having a positive impact. It has invested in reopening the Stirling-Alloa-Kincardine railway, which should happen during 2007.

12. The council has invested in systems to support continuous improvement and needs to strengthen its overall approach to managing people. It has developed a Personal Review and Development (PRD) system but this is not used consistently across the council and does not extend to appraisal for the chief executive.

13. The council is making progress in managing risk and has recently improved systems for managing performance, ICT and assets. The council can demonstrate a commitment to promoting equalities and sustainable development. Many of these arrangements are relatively new and have yet to demonstrate a tangible impact on services.

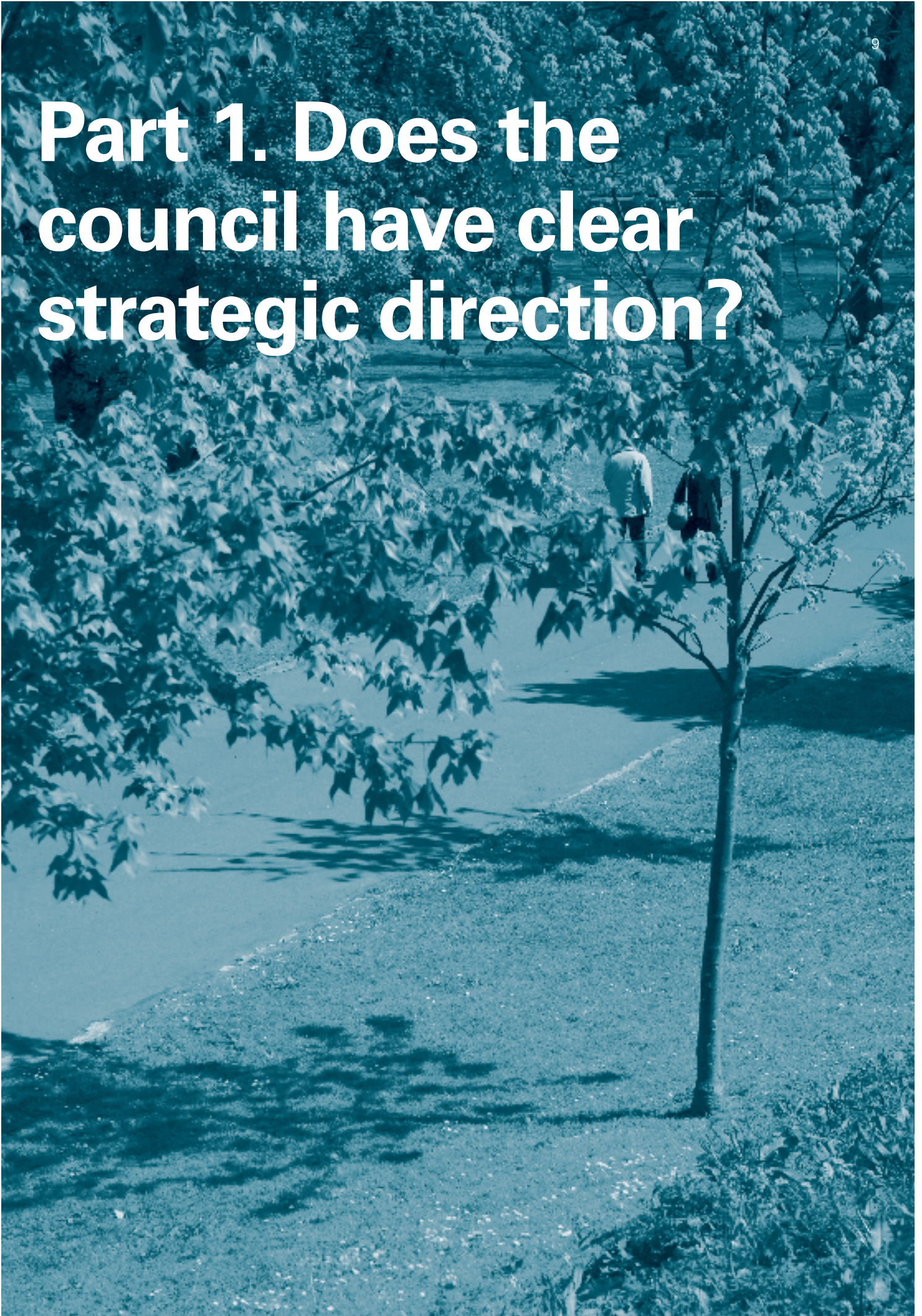
14. Improvements in customer care are under way but many initiatives are still at early stages of development. Better coordination of the Customer First and best value review programmes and the corporate improvement plan activity is necessary. The council needs to better demonstrate the competitiveness of its activities. The information the

council reports publicly about its performance could be more balanced and accessible.

15. The council is seeking alternative ways of working to develop its capacity to deliver improvements against local and national priorities. This has included exploring the feasibility of jointly managing services with Stirling Council and leading a five-council Efficient Government Fund (EGF) bid to share a range of back office functions. It is critical that any such changes are carefully thought through to ensure they can deliver the council's vision and challenging improvement agenda, and are consistent with its values.

16. Since the completion of our audit, the council has a new chief executive (on an 18-month fixed-term contract to December 2008) and a new leader of the council. The May 2007 elections brought a change in the political balance of the council; no party now has overall control. The changes present new opportunities and challenges for the council in taking its improvement agenda forward.

Part 1. Does the council have clear strategic direction?



Clackmannanshire faces a challenging context in its scale and socio-economic profile. The council's response needs to be more coherently linked through the community plan and the corporate strategy. The council recognises that it currently has too many priorities, and that reducing them would help focus its scarce resources on areas of greatest need. It has developed a systematic approach to business planning that effectively links its corporate priorities to the work of its services, although it can further improve this to show how it is deploying its resources.

Members and officers need to provide stronger leadership in supporting continuous improvement. The council has modernised its management and political structures to improve joined-up working and decision-making, but there is more to do to refine these arrangements. Elected members are starting to develop their leadership role and the council is investing in developing leadership capacity among senior staff. There is scope to improve the engagement of council staff in securing continuous improvement.

The council has developed some effective partnerships, particularly for the delivery of community care services and in tackling antisocial behaviour. More generally, it needs to better demonstrate the impact of community planning. Along with community planning partners the council has developed new ways of identifying the needs of its communities, but these have had variable success and could be more effective.

Context

17. Clackmannanshire lies in central Scotland between the river Forth to the south and the Ochil Hills to the north. It shares borders with Fife, Perth and Kinross, Stirling and Falkirk Council areas. Its principal towns

Exhibit 1

Clackmannanshire Council



Source: Clackmannanshire Council

include Alloa, Clackmannan, Alva, Tillicoultry and Dollar as shown in Exhibit 1. After Dundee City Council, it has the second smallest land area (159sq km) of all Scottish authorities. With an estimated population of almost 49,000 it is Scotland's smallest mainland authority, with only the three island authorities (Shetland, Orkney, Eilean Siar) being smaller. It has the 13th highest population density (307 people per sq km) in Scotland.

18. Clackmannanshire has an attractive environment and a good position in the centre of the central belt. On reorganisation in 1996, the council highlighted a problem of

isolation, concluding that the natural advantages of the area had not provided the competitive advantage that might have been anticipated, due to a poor roads network (including severe congestion at Kincardine Bridge) and a lack of rail links. However, the council has promoted recent improvements such as a better road link to Stirling, and the reopening of the Stirling-Alloa-Kincardine railway. A second Forth crossing currently under construction at Kincardine also offers significant potential benefits through improved links between Clackmannanshire and the motorway network.

19. The council faces a range of socio-economic challenges:

- Above average unemployment rates (3.4 per cent in March 2006, compared to a national average of three per cent) and dependency on benefits.
- Median gross weekly earnings among the lowest in Scotland (2005).
- Higher than average proportion of council tax band A properties (29 per cent against 24 per cent nationally); higher than average proportion of houses rented from the council (29 per cent compared to the Scottish average of 22 per cent); and a correspondingly lower than average level of owner-occupied houses.
- Increasing deprivation among its communities. Despite pockets of relative affluence in areas such as Dollar and Muckhart there are areas of severe deprivation in South and East Alloa, Tullibody, Sauchie and Coalsnaughton. Since 2004, Clackmannanshire has declined from the tenth to the fifth highest percentage of its area now classified as being among the most deprived in Scotland (23 per cent).

20. Successive political administrations of the council have recognised the importance of tackling these issues and this is reflected in the council's key plans and strategies, including the Regeneration Outcome Agreement (ROA) which aims to close the gap in opportunities between the most disadvantaged areas of Clackmannanshire and the rest of the council area over a three-year period.

21. Clackmannanshire's traditional brewing, mining and textile industries have declined. Between 1997 and 2004, manufacturing jobs decreased by twice the national average (51 per cent compared to 26 per cent nationally), although the largest proportion of Clackmannanshire's workforce (around 20 per cent)

continues to be employed in mining and quarrying, manufacturing, electricity, gas and water supply.

22. There has been an above average increase in service sector jobs in the area, with particular growth in retail employment through the opening of major supermarkets. Although the public sector continues to be the largest employer in Clackmannanshire, wholesale and retail trade is now the second largest employment sector with 14 per cent of jobs.

23. Between 2001 and 2006 the population increased by 1.7 per cent, double the national rate, and is projected to rise by a further one per cent by 2014, in line with national projections over the same period. The demographic profile of Clackmannanshire's population indicates:

- sharper than average decline in 0 to 15-year-olds (a reduction of 14 per cent compared to 12 per cent for the rest of Scotland), and 16 to 64-year-olds (a reduction of seven per cent compared to one per cent for Scotland)
- significantly higher than average increases in those aged 60+ (31 per cent compared to 19 per cent

for Scotland), and 75+ (87 per cent compared to 53 per cent for Scotland).

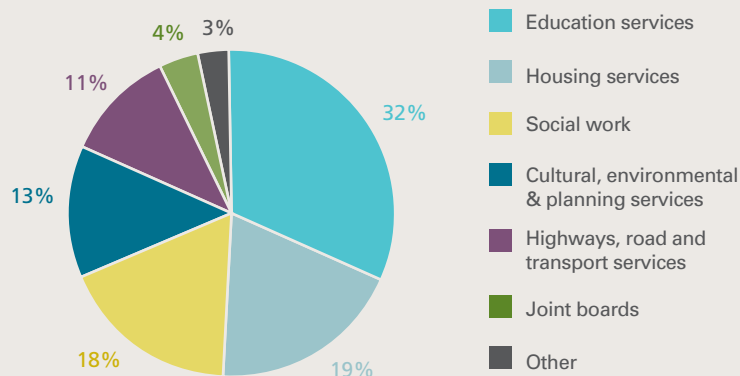
24. The changing population structure is likely to affect key council services such as education, housing and social work.

25. The council has 18 elected members and, at the time of our audit, had a majority Scottish Labour Party administration. The May 2007 elections brought a change in the political balance, with eight Scottish Labour Party, seven SNP, one Scottish Conservative Party, one Scottish Liberal Democrat and one Independent councillor. Five new councillors were elected. No party now has overall control of the council and the Scottish Labour Party has formed a minority administration.

26. Clackmannanshire's gross expenditure in 2005/06 was approximately £156 million. Expenditure per head was £3,206, marginally above the national average of £3,151. The council's band D council tax for 2006/07 was £1,127 (an increase of 4.9 per cent on 2005/06) and in line with the national average of £1,129. The council's gross expenditure across services is shown in [Exhibit 2](#).

Exhibit 2

The council spent a total of £156 million on providing services in 2005/06



Source: Clackmannanshire Council Audited Accounts 2005/06

27. The council's relatively compact nature and capacity potentially confer both advantages and disadvantages. For example, effective communication is relatively easy; it has a great deal of local knowledge and is potentially more responsive than a larger more dispersed organisation. At the same time, it does not have the economies of scale of larger authorities. The council recognises the challenges this poses in delivering efficient services. It has responded by exploring new ways of providing services, for example the possibility of jointly managing services with Stirling Council to cut operating costs, and leading a five-council EGF bid to reduce costs in areas such as human resources, finance, payroll and procurement.

Leadership and culture

Members and officers need to provide stronger leadership in supporting continuous improvement. Leadership of the council has been provided mainly by officers. Since the introduction of new political structures in 2005, elected members have started to demonstrate more active leadership, but there is still much for elected members and officers to do to create a positive environment in which Best Value and Community Planning can develop.

Areas for improvement include building appropriate leadership capacity among both elected members and officers, defining fewer priorities to target the council's limited resources, better engaging and involving staff in developing an improvement culture, and developing the effectiveness of structures to support the delivery of continuous improvement in future. The council needs to be more realistic about its capacity to meet this challenging agenda.

28. Elected members and senior officers are fully committed to delivering the agreed strategic direction of the council. Since

reorganisation in 1996, this direction has been more influenced by senior officers than elected members. During this period the effectiveness of relationships between officers and members has varied and there have been changes in the political administration at each of the last three elections.

29. In 2003, the current administration made a commitment to invest in improving member/officer relationships and the effectiveness of political structures. This resulted in the implementation of new political structures in June 2005. The new structures have improved working relationships between officers and members, with senior elected members demonstrating a more active leadership role in a number of ways including: improved challenge of Best Value reviews; acting as portfolio holders setting clear agendas for discussion with senior managers; and establishing a member/officer budget working group to influence the council's investment priorities. Many of these initiatives are relatively recent, but they show that elected members are becoming more willing to challenge officers and are starting to develop a culture of improvement and challenge.

30. Some key leadership challenges remain for officers and elected members, for example the need to build appropriate corporate leadership capacity among elected members and officers. The council recognised this need to develop leadership and management capacity in its *Future Directions* publication in 2004, and to address this is implementing a Leadership Development Programme for senior staff. Members are being provided with training to assist them in carrying out their roles.

31. There is scope to improve the strategic focus of elected members and the ET, and to better focus investment on fewer priorities. The leadership of community planning could be strengthened to better demonstrate the impact of

partnership activities, and the council's elected members and senior officers have a key role to play in delivering these improvements.

32. There needs to be stronger and more effective leadership of continuous improvement to develop and embed a culture of consistent corporate performance management. This will help the council to develop a more systematic focus on improvement across the range of its activities. There is also scope to better engage council staff in the design and implementation of the council's improvement agenda. Elected members and senior council officers have a key role to play in establishing the right environment within which a culture of engagement can flourish. This is a key role for the new chief executive and leader, both of whom have been appointed since the completion of our audit.

33. The council needs to address these leadership issues if it is to make progress in developing an improvement culture that engages staff, members and partners in its improvement plans. However, its improvement agenda has a very large range of improvement activity and ambitious timescales for implementation. The council's relatively small size limits the staff and financial resources available to develop new arrangements quickly. Setting clear priorities for improving services and more realistic timescales for implementing new systems would help focus these limited resources in the future.

Council structures

The council has invested in modernising its political and managerial structures, but they are not aligned. There is scope to improve the strategic focus of the ET in leading the organisation and to provide a clearer focus on service performance. There are also opportunities to improve the effectiveness of the council's political arrangements.

Management structures

34. The council’s current management structure comprises the chief executive, three executive directors and 11 heads of service (Exhibit 3). The council has streamlined its management structures on a number of occasions since 1996 with the objective of reducing management costs and encouraging more joined-up thinking on corporate issues. The chief executive and executive directors take responsibility for specific cross-cutting themes: inclusion, sustainability, planning and resources, corporate governance, and community advocacy. This is a positive development, although closer alignment between these five themes and those in the council’s strategic plans would ensure a clearer link to the council’s vision.

35. The chief executive, executive directors and the head of finance operate as the ET, responsible for the strategic management of the council. This team meets weekly, and also meets weekly with elected members on the Overview Panel. The ET’s focus can sometimes be too much on routine operational issues rather than on strategic management issues.

36. The ET and 11 heads of service meet fortnightly as the CMT to discuss corporate management issues such as absence management and to provide a forum for sharing information. The CMT could be more effective by improving its tracking of progress against issues previously discussed, focusing meetings on priority issues, and routinely monitoring and responding to service performance issues.

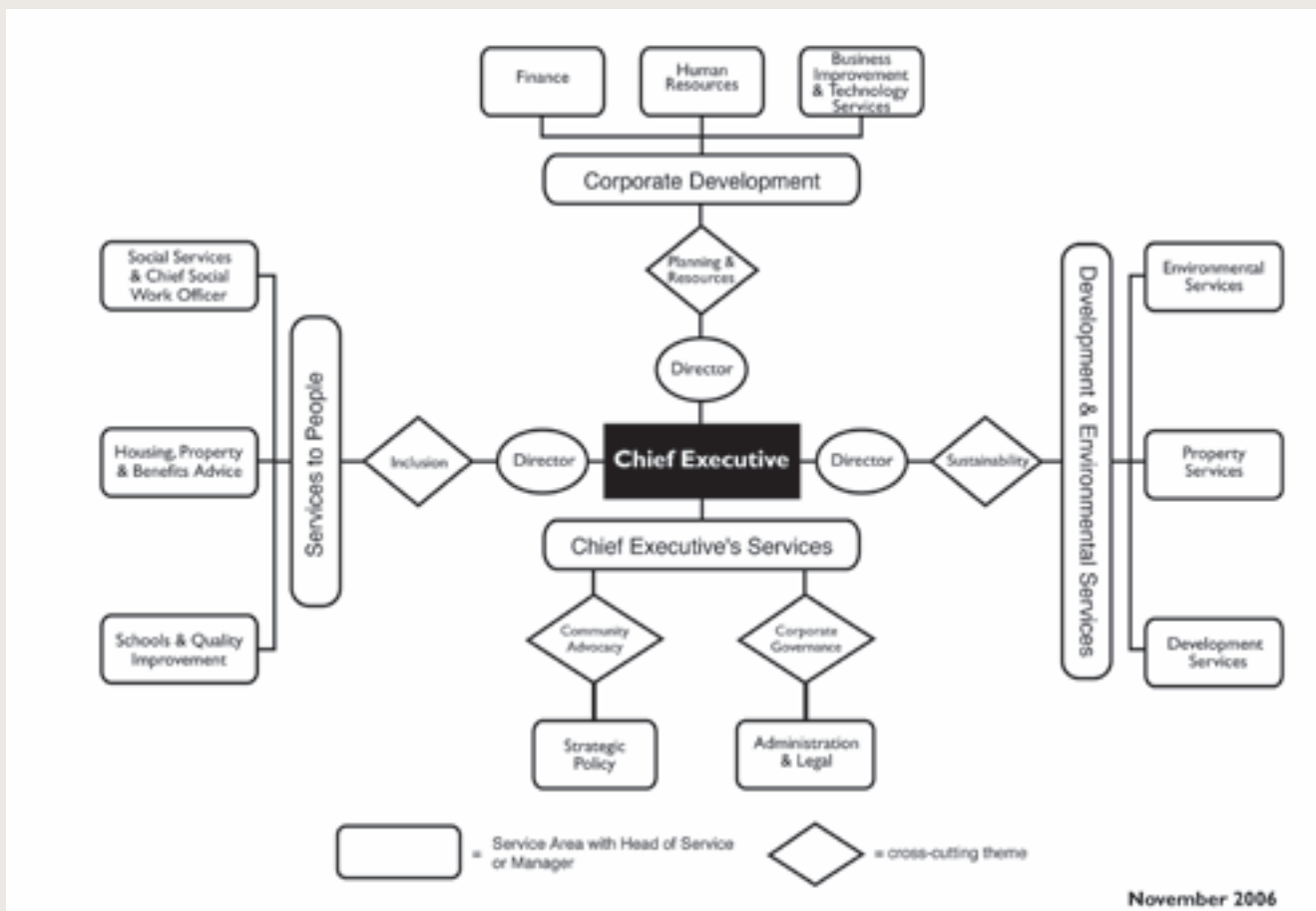
37. The strategic management of community services – located within the Services to People department – would benefit from further review, since the service is not directly represented at CMT in the same way as other services. The impact of this lack of direct senior management leadership on performance is discussed further in Part 3.

Political structures

38. The council’s current political structure, introduced in June 2005, replaced a traditional political structure comprising the council and eight standing committees. The political structures also changed significantly after the 1999 and 2003 elections.

Exhibit 3

Clackmannanshire Council management structure



Source: Clackmannanshire Council

39. The structure has been designed around cross-cutting priority themes to develop a more thematic approach to decision-making. It has been informed by councillors' views on political structures operating in other councils. The structure comprises:

- Four standing committees (council, regulatory committee and sub-committee, school estate committee and workforce committee) for taking decisions, and a standing performance and audit (P&A) committee, which monitors the council's performance.
- The overview panel of portfolio holders, which is responsible for influencing the development of new policies and strategies, reviewing key decisions of the council and evaluating their impact. Portfolio responsibilities for individual elected members are shown in [Exhibit 4](#).
- Some elected members undertake a service representative role for key service groups (development and environmental services, education and community services, and housing, health and social services) that involves scrutinising service standards and performance and ensuring that service needs are taken into account in council decisions.
- Policy forums for debating key issues between members, officers and other key stakeholders with a view to informing key decisions and the formulation of policies. For example, a forum was established in February 2006 to look at developing policy for improving children's services and for taking account of the Additional Support for Learning (Scotland) Act 2004.

40. The revised political structures have brought some benefits, in particular more effective working between officers and members, and an active role for portfolio holders in

Exhibit 4 Political portfolios

Portfolio	Remit of portfolio
Council Leader	Community planning, corporate policy and strategy, and corporate governance.
Depute Leader	Support for leader's role, regulation (planning, building control, trading standards, and licensing (other than liquor licensing)).
Inclusion and Regeneration	Taking forward social inclusion, regeneration, health and community safety, ensuring a corporate approach to funding regeneration initiatives and an adequate allocation of resources to local inclusion partnerships.
Sustainability	Applying sustainability to all council business. Responsibilities include development planning and the fostering of sustainable communities by maximising opportunities for employment.
Scrutiny	Taking forward performance management and monitoring financial performance. In addition, leading on initiatives to improve efficiency including, but not limited to, the council's programme of Best Value reviews.
Partnership	Consultation with stakeholders, including local communities, staff and special interest groups and partner providers.

Source: Clackmannanshire Council

championing portfolio themes within the council and in working with partners and other key stakeholders. However, our survey of elected members suggests that the new structures are taking longer to bed in than anticipated and that elected members believe that there is scope for further improvement:

- Only six out of 16 responding elected members agreed that the political structures provide a sound basis for effective decision-making.
- Only seven out of 16 members agreed that they provide for timelier decision-making.
- Only seven out of 16 agreed that there is clarity about the roles and remits of the committees, sub-committees and working groups.

41. There are other aspects of the political structures that the council needs to address:

- Better alignment between political and managerial structures.
- More consistency between political portfolios and managerial cross-cutting themes.
- Resolving the potential conflict between the overview panel's responsibility for developing new strategies and policies and scrutinising decisions.
- Improving the effectiveness of scrutiny by service representatives. This currently tends to focus on individual cases, rather than holding service managers to account for performance against service standards. It does not directly inform any particular forum or activity, other than reporting back

into administration group meetings. Overall the effectiveness of the role is not evident and there is potential overlap and duplication for officers in their separate discussions with service representatives and portfolio holders.

42. The council has recognised these issues and is committed to reviewing its current political structures following the local government elections in May 2007.

Setting a clear direction

The council's overall vision is not consistently articulated in its corporate and community plans. The corporate plan and vision document, *Future Directions*, pre-dates the community plan and needs to be reviewed for consistency. The council has too many priorities, and has insufficient capacity to achieve its ambitions within the challenging timescales it has set itself.

Vision

43. *Future Directions* sets out a ten-year vision based around the aims summarised in [Exhibit 5](#). The council's 2004-07 publication *Corporate Priorities* links *Future Directions* to its service planning process and sets out the core values which govern the way the council does business. These plans pre-date Clackmannanshire's community plan and as such are not wholly consistent with the wider aims of the Community Planning Partnership (CPP). The council plans to review its corporate priorities in 2007.

44. The broad aims within *Future Directions* and the *Corporate Priorities* are focused on achieving the same outcomes but are not expressed consistently. The council acknowledges that there is an opportunity to consolidate these strategic plans, to use more consistent language to describe its aims, and to better align these with the vision set out in the 2006 community plan. This should help to provide a clearer focus for elected

members, staff and partners in making future investment decisions.

45. The council has also established a set of four core values which govern the way it conducts its business, although it does not monitor the way in which these values influence its work.

46. The council has set itself 41 corporate priorities, covering all aspects of its business and improvement agenda. While these allow staff to relate the services they deliver to the council's goals, there are too many priorities to effectively focus improvement activities and investment.

47. The council's vision emphasises the importance of maintaining a strong and distinctive local identity for the area. It recognises the potential

challenges that public service reform and initiatives such as the Scottish Executive's Efficient Government agenda present. At the time of our audit, the council was seeking to protect its local identity while delivering significant strategic change by exploring the feasibility of jointly managing services with Stirling Council. Its feasibility study was scheduled to be completed towards the end of 2007.

Service planning

The council has a systematic approach to service planning. It needs to build on these arrangements to make better use of resource information in the planning process and to strengthen the links between its planning and budgeting timetables.

Exhibit 5

Clackmannanshire Council: aims, themes and values

Strategic aims (from *Future Directions*):

- create strong, active, safe and caring communities
- achieve local economic prosperity and stability
- make the most of Clackmannanshire's unique built and natural environment
- develop a culture of personal achievement where everyone is valued
- improve the health of the people of Clackmannanshire
- represent and promote the interests of all of the people of Clackmannanshire
- ensure that the people of Clackmannanshire receive the highest quality services for the public pound.

Strategic themes (from *Corporate Priorities*):

- achieving potential
- maximising quality of life
- securing prosperity
- enhancing the environment
- maintaining an effective organisation.

Core values (from *Corporate Priorities*):

- commitment, trust and partnership
- openness and accountability
- respect and dignity
- equity, fairness and inclusion.

Source: Clackmannanshire Council

48. The council has developed a systematic approach to service planning. Service plans are in place for each of the council's four key service groupings, and are effective in establishing short and medium-term targets (one to three years). Links between service targets and the corporate priorities are clearly set out, although the high number of priorities sometimes weakens the value of these links. Rationalisation of the corporate priorities and aligning them more closely with the community plan will help improve the clarity of corporate and service planning processes.

49. The council's service plans generally include good contextual information and measurable objectives, and links between budgets and service plans have been improving in recent years. Service plans could, however, be more consistent and include better information about the human and financial resources that are available.

Community planning and partnership working

Partnership working has a relatively long history in Clackmannanshire, although the first community plan for Clackmannanshire was only published in 2006. The Clackmannanshire Alliance has yet to effectively demonstrate the impact of community planning for its communities. The council has good partnership working arrangements in providing community care and tackling antisocial behaviour. There is scope to improve links with the voluntary sector.

50. The council and its partners in Clackmannanshire have a long established record of working in partnership to regenerate the area and improve services. Examples include the Stirling-Alloa-Kincardine railway project, the development of office space through the local enterprise company CETERIS, and Central Scotland Business Parks, and a community hospital for Clackmannanshire. More recent

examples include the joint provision of community care services with NHS Forth Valley and approaches to tackling antisocial behaviour with Central Scotland Police, both of which are discussed further in [Part 3](#).

51. The council has built on this history of joint working in implementing its community planning arrangements. The CPP, the Clackmannanshire Alliance ([Exhibit 6](#)), is chaired by the leader of the council and comprises senior staff from partner agencies as well as representatives from the community, voluntary and business sectors.

52. In 2001, the Clackmannanshire Alliance began consulting on a community plan. The first community plan for Clackmannanshire was published in February 2006, covering the period 2006-09 and structured around themes to tackle key strategic issues within the area.

53. Theme teams are responsible for delivering the actions in strategies that support the community plan. [Exhibit 7](#) shows the structure that links themes, theme teams and strategy documents. The Alliance has allocated theme team leadership responsibilities among different partners. Partners view their

leadership role in the theme teams as positive in creating collective ownership of the community planning process.

54. The community planning structure provides an effective framework but the results from our survey of community planning partners, and from a recent Clacks 1000 citizens' panel survey, suggest a need to increase momentum:

- Only five of the 14 respondents to our survey of partners (36 per cent) believe the council leads community planning effectively and that joint working between the council and their organisation is significantly influenced by the community planning process.
- Only three of these partners (21 per cent) believe the council has committed sufficient resources to help develop community planning.
- Seven partners (50 per cent) believe that the council works well with its partners; 13 said that some parts of the council are easier to work with than others.
- Thirteen partners (93 per cent) believe that there is scope for better pooling of resources.

Exhibit 6

Clackmannanshire Alliance

Argyll, the Isles, Loch Lomond, Stirling & Trossachs Tourist Board
 Central Scotland Fire and Rescue
 Central Scotland Police
 Communities Scotland
 Community Partnership Team
 Clackmannanshire Council
 Clackmannanshire Tenants and Residents Association
 CVS Clackmannanshire
 Forth Valley College
 NHS Forth Valley
 Scottish Natural Heritage
 Scottish Enterprise Forth Valley

Source: Clackmannanshire Council

Exhibit 7

Clackmannanshire Alliance: Key themes, theme teams and strategy documents

Theme & theme team	Chair or leader of theme team	Key documents
Community Safety	Area Commander, Central Scotland Police	Clackmannanshire Community Safety Strategy
Economic Development	Executive Director, Scottish Enterprise Forth Valley	<i>Building Clackmannanshire Economic Development Framework</i>
Environment & Sustainability	Director of Development & Environmental Services	Draft Sustainability Strategy
Health	Director of Community Health Partnership	Clackmannanshire Joint Health Improvement Plan

Source: Clackmannanshire Alliance

- Only 14 per cent of citizens' panel respondents think that public agencies in Clackmannanshire work well together.

55. Community planning has helped to introduce arrangements for addressing antisocial behaviour and health improvement, as highlighted in [Part 3](#). More widely the CPP needs to better demonstrate its impact, with progress reporting largely limited to specific projects or activities and not outcome-based targets. Only three out of 14 respondents to our partner survey said that community planning has improved public services in Clackmannanshire. The council recognises the need to demonstrate the impact of community planning and intends to use the findings of the Clacks 1000 survey as a method of evaluating outcomes in future.

56. Much of the partnership's recent work has focused on developing the ROA, published in June 2005. A Regeneration Board has been established to allocate regeneration funds and monitor progress. The Alliance acknowledges that the board needs to be more adequately

integrated within the wider partnership. The voluntary sector in particular needs a clearer role in the partnership.

Involving communities

The council has recently established a community engagement framework, although this has yet to be fully implemented and still needs to demonstrate tangible improvements in how the council consults and engages with its communities. It has had some success in gathering the views of residents and service users. There are a number of good examples of service-based consultation.

57. In 2004, the council carried out a mapping exercise to establish the extent of its consultation and engagement activity. A number of improvement areas identified by the mapping exercise are now being addressed through the community engagement framework. The council still needs to address some of the findings of this work, for example, feeding back the outcomes from consultations and how these have

affected its policy and decision-making. The council would benefit from having a strategy to guide its approach to consultation.

58. Through the Alliance the council has played a lead role in developing a community engagement framework based around national standards for community engagement. At the time of the audit, this framework had been agreed but only partially implemented:

- A Clackmannanshire-wide forum is planned to represent the views of communities and communities of interest on issues which affect the whole area. The forum will have 17 members from local forums, the business forum, Clackmannanshire Voluntary Service (CVS), the ROA Community Partnership Team, young people from Dialogue Youth, and individual members including a representative of an ethnic minority community.
- Four local area forums have been established to represent community views on local issues. Membership includes local residents, elected members, local community and voluntary groups and representatives of the CPP. Two rounds of local forums were held in March and June 2006 focusing on antisocial behaviour and the local transport strategy. Although the council advertised the forums widely and provided assistance with transport, public attendance at the initial meetings was relatively low.
- A citizens' panel (Clacks 1000) has been established for surveying a representative sample of the population on issues that are identified for wide consultation. The council plans to maintain a panel membership of 750 to 1,000 people, reflecting the demographic characteristics of Clackmannanshire, which will regularly be refreshed to ensure fresh views and commitment.

59. The first survey of the Clacks 1000 citizens' panel took place in March 2006 to assess residents' attitudes to the quality of life in Clackmannanshire. The survey generated a high level of interest with 790 responses. Results from the survey reflect recent work done by the council and the Alliance, with relatively high levels of satisfaction with improvements in transport and road safety and investment in environmental initiatives. They also highlight ongoing challenges, for example, tackling crime or fear of crime being a key priority for respondents with 35 per cent feeling that Clackmannanshire is a worse place to live compared with five years ago.

60. Services within the council regularly consult residents and service users. There are examples of service-based engagement and consultation, including developing the Sauchie Community Green Map (Exhibit 8), and holding civic commissions, which have focused on acute health provision, adults and younger people, and fed into national debates. This activity is positive in gathering the views of service users and communities, but an overarching strategy for consultation and engagement that coordinates the council's collective effort would maximise the efficiency and effectiveness of these efforts.

61. HMIE identified weaknesses in the involvement of local communities in shaping education services, and only 31 per cent of elected members and 21 per cent of community planning partners surveyed during the audit agreed that the council engages effectively with citizens.

Accountability and openness

The respective roles and responsibilities of officers and elected members are not sufficiently clear. The council is generally open, although one important recent decision was not transparent. The council can improve accountability in working with arms-length organisations (ALOs).

62. At the time of the audit the council had approved updated standing orders to reflect its political management structure, but had not updated the scheme of delegation for officers and members. This is essential to ensure clear lines of accountability for officers and members and minimise the potential for confusion.

63. Our survey of elected members suggested that the roles of elected members and officers are not clear:

- Only seven out of 16 responding elected members agreed that there is clarity about the roles and remits of the committees, sub-committees and working groups.
- Only six out of 16 elected members agreed that there is clarity on the respective roles of elected members and officers.

64. The council aims to demonstrate openness in its decision-making arrangements by taking decisions in public at council and committee meetings. In making information

more easily available, committee agendas and papers have been available on the website since September 2006. There is scope to improve further by advertising committee meetings as open to the public, providing information on the roles, responsibilities and business of committees, and making papers easily available to the public in advance of meetings.

65. The council's decision to wind up its leisure trust and return the delivery of leisure services to the council from April 2006 lacked transparency. The information presented to members to inform this decision asked them to consider two options, continuing with a more independent leisure trust that met new charity legislation or returning the delivery of leisure services to the council. This information did not clearly outline the decision already taken by the trust board to wind up the trust, which was material to the options available for consideration. It is important that the council ensures that all future decisions can clearly demonstrate

Exhibit 8

Sauchie Community Green Map

The Clackmannanshire Alliance supported a pilot green mapping project in Sauchie in 2005. Green maps use visual icons to represent social, environmental, health and safety issues within the local environment and the Sauchie Green Map was the first in Scotland. The maps also promote strategies and skills that help ordinary people exercise leadership and take action as citizens towards more healthy, economically viable and sustainable communities. The Sauchie Green Map featured as a good practice case study of how to involve children and young people in the Scottish Executive's publication *Consultation on Advice Note on Engaging Children and Young People in Community Planning*. This reported that: 'A series of workshops, one-to-one interviews and questionnaires were used to produce a living map of the area. Young people were paired with retired residents to discuss the area's existing assets, limitations and future possibilities. Teenage girls from the local Dialogue Youth 'Oor Toon Project' took part in a workshop covering similar issues. A number of positives involving children and young people came out of the initiative.'

The green mapping exercise played a central role in a community consultation event in October 2006 for Alloa North West. The council intends to use the green mapping as the basis for further community engagement in the Alloa North West development to help inform and create the vision for the site.

Source: Audit Scotland

that they have been made in the best interests of Clackmannanshire.

66. The council also needs to improve its arrangements for managing relationships with other ALOs that deliver services on its behalf. Audit Scotland's *Following the Public Pound* report in December 2005 assessed the council's performance against the code of guidance for funding external bodies as being moderate, with significant scope for improvement in monitoring and accountability of the £2.4 million it provided to ALOs. At the time of our audit, the council could not demonstrate the action taken in response to the recommendations.

67. More specifically, the council has experienced continuing difficulties in its relationship with the local enterprise company, CETERIS. This included debts owed to the council by CETERIS, and the leasing of properties between the two organisations. In its 2005/06 annual report, external audit reported that the council had resolved these difficulties through remedial action in the form of property title swaps between the two organisations. The value of the title swap allowed the council to recover outstanding debt currently owed by CETERIS, retain valuable office accommodation and pass on properties to CETERIS for the benefit of local businesses.

Reporting to the public

The council produces a range of public performance reports (PPR) and provides information on its performance through its website. The information reported does give some indication of where performance has been below target but could be more balanced and more easily available to the public.

68. The council produces a corporate performance report and service-based PPRs focusing on progress in achieving some of its corporate goals, such as Achieving Potential, Quality of Life and Enhancing the Environment.

The reports list key achievements and include a range of performance information, including a few examples of deteriorating performance and areas for improvement.

69. There is scope to provide the public with a more informed commentary on council performance: for example, by explaining where the council has not achieved its performance targets and what improvement actions are planned, both at council and community planning levels; and including more comparative information from other councils.

70. The council produces an annual report and newsletters for the Clackmannanshire Alliance. The first annual report for 2005/06 highlighted activities that the Alliance has carried out during the year and reports results from the Clacks 1000 survey, although only a limited set of the more positive findings from the survey were highlighted.

71. The council uses Clacksweb as its main mechanism for reporting performance information including reporting against SPIs. It no longer produces a residents' newsletter, but publishes a quarterly newsletter for tenants that includes performance information. The council should consider the accessibility of information about its performance as part of a corporate communications strategy.

Part 2. Is the council organised to deliver continuous improvement?



The council's revised political structures have improved scrutiny of performance but its arrangements for the scrutiny of decision-making can be more effective. The council is developing its approach to performance management and it can build on this to better support scrutiny in the future.

The council is making progress in managing risk and financial resources. It has developed systems to better manage other resources, such as ICT and assets, but needs to make these more effective. There is scope to improve arrangements for managing staff, integrating its improvement and review activity, and demonstrating the competitiveness of its activities.

Many of the council's customer care initiatives are at relatively early stages of development and not consistently in place across all the council's operations. It needs to use customer feedback and complaints more effectively to identify where it needs to make improvements.

The council is clearly committed to providing equality of opportunity and promoting sustainable development and is making positive progress within these areas.

Scrutiny

Scrutiny of performance is improving through the P&A committee, but scrutiny of policy and decisions needs to be more effective and the role of the overview panel clarified.

72. The council's political structures were designed to improve the level of elected member scrutiny. They include a role for the P&A committee in scrutinising performance, a role for the overview panel in scrutinising policy development and council decisions, and an elected member

with a scrutiny portfolio. Elected members have received training from COSLA on scrutiny. In addition, 13 of the 16 elected members that responded to our survey believe that they have the opportunity to scrutinise the performance of services.

73. Despite high levels of member satisfaction with scrutiny opportunities, these arrangements could work more effectively in practice. In its improvement plan, the council has recognised the need to improve the level of scrutiny and challenge of council performance and to ensure that the mechanisms in place for member involvement in policy setting are operating more effectively.

74. The council's P&A committee is getting better at scrutinising financial and performance information, but needs to improve its scrutiny of progress against the thematic *Corporate Priorities*. Observations of the P&A committee highlighted that elected members are unclear about the committee's role, what it can scrutinise and how to do this. The committee also needs to improve its systems for tracking outstanding actions and identifying issues which require further consideration.

75. The council's overview panel has formal responsibility for scrutinising decisions, but this rarely happens and there is scope for conflict between this and the panel's role in policy development.

76. There are sufficient meetings between elected members and officers to provide opportunities for discussing policy developments and scrutinising performance. However, it is unclear what distinguishes the scrutiny role of members in the service representative role from that of portfolio holders. The proposed review of political management arrangements should clarify these roles.

77. The information provided to members could be improved. Until recently, the quality of financial reports presented particular difficulties for elected members but this is now improving. Eleven of the 16 elected members that responded to our survey said that they receive all of the information that they need to carry out scrutiny. Observation of elected members' discussions at committee meetings, however, highlighted scope for further improvements in the information, particularly around variances in expenditure against budgets.

Performance management

The council needs to develop a more performance focused culture among staff and members. It has recently improved performance monitoring and reporting to elected members with the introduction of balanced scorecards but these arrangements are not yet fully effective.

78. The council is seeking to manage performance more effectively and has demonstrated this over the last year in a number of ways, particularly by:

- introducing the 'balanced scorecard' for monitoring and reporting performance
- creating a Business Improvement & Technology Service (BITS) with a specific remit for service improvement and business change.

79. Service plans underpin the council's performance management framework, linking service delivery to corporate priorities. They define delivery objectives over three years, with associated targets and performance measures. During 2006, the council improved these plans by including budget information.

80. The council reports progress against targets in service plans to the P&A committee twice a year. This assists elected members in

scrutinising service performance by highlighting the percentage of targets completed, on track, or behind schedule, and explaining reasons for variances and remedial action to address missed targets.

81. During 2005, the council introduced balanced scorecards to monitor and report service performance. At the time of our audit, services were still getting to grips with using the scorecards effectively, with some services making more progress than others. In addition, links between the scorecards and corporate priorities and other key strategies were variable in quality. The council should develop the scorecards further to reflect measures of customer satisfaction and outcomes relating to strategic and service priorities.

82. Since their introduction in 2005, the balanced scorecards have been used by individual services to monitor performance, although this has been variable across services. During the period of our audit, the council was extending their use, with the ET using them to monitor performance from June 2006 and from August 2006, and the scorecards formed the basis of quarterly performance reporting to the P&A committee. Reporting the scorecards to elected members has strengthened members' ability to scrutinise service performance.

83. The council needs to build on its recent developments to establish an effective performance management culture among all staff across the organisation. The need for this is reflected in: the variability with which balanced scorecards have been adopted across services; the need to challenge and address areas of deteriorating performance at an early stage, as highlighted by the problems recently experienced in housing services; and the lack of focus on service performance by the CMT.

Improvement and review

The council has undertaken some effective review activity to improve performance but it has not delivered its planned programme of best value reviews. Reviews of important areas such as community planning have been removed from the programme. It needs to develop a more integrated approach to its various improvement activities.

84. The council's improvement activity is focused on delivering its customer first and best value review programmes. At present there is no overall coordination of these two improvement programmes; the council plans to address this by adopting the European Foundation for Quality Management (EFQM) model as a corporate improvement framework. The CMT approved the introduction of the EFQM model in December 2005 but it was not due to be implemented until after the period of our audit.

85. The council's customer first programme, set up in April 2005, is a corporate change and modernisation agenda based on six linked work streams covering customer service, business change, technology enablement, people development, efficiency/joint working and communications. A major element of the programme is a joint EGF bid, led by Clackmannanshire and including Stirling, East Dunbartonshire, Falkirk and Perth and Kinross Councils, which aims to deliver £10 million of savings over ten years through sharing human resource, finance, procurement and payroll functions. At the time of our audit this project was just starting.

86. The BITS contributes to delivering the Customer First programme by working with services to redesign business processes. The business improvement team's contribution to identifying improvement actions is valued by services, but its work needs to be better linked with other improvement activity, such as best value reviews, to deliver improvement

more efficiently. This is demonstrated in the lack of coordination of current improvement activity within housing, where the business improvement team were working with the service to review homelessness, repairs and voids, but the housing service is planning to carry out a best value review of repairs during 2007.

87. In 2004, the council introduced a new approach to best value reviews. It had achieved some positive results from its previous approach, including the creation of a centralised catering facility ([Exhibit 9](#)), but it recognised that reviews had been narrow in scope and too focused on internal working arrangements. Its new approach to best value reviews aimed to:

- focus on more strategic areas for review
- be more consistent, with detailed corporate guidance
- create an effective scrutiny role for elected members who are now involved in approving the scope of reviews and monitoring progress in delivering review action plans.

88. The benefit of reviews in terms of improved outcomes has yet to be realised. The council initially planned to complete nine reviews per year; from June 2005, this was revised to only four per year. But between April 2004 and the time of our audit in 2006, only five reviews had been completed, and several planned reviews, including reviews of important areas such as economic development and community planning, had been removed from the programme. This indicates some misjudgement of the council's capacity to deliver on its planned improvement activity.

89. The council's limited progress in delivering its review programme reinforces the need for better coordination and prioritisation of its improvement activity, linked to available resources.

Exhibit 9

Catering best value review 2004/05

As a result of the best value review completed in 2004/05, the catering service replaced all of its existing school kitchens with a centralised production unit by converting an underused leisure centre in Sauchie.

In total, £1.05 million was invested in the centre to create a new central production kitchen and bring major improvements to all of the council's school dining facilities. This included funding from the Scottish Executive's Hungry for Success programme.

The proposals involved the introduction of major changes in working practices which were developed with the help of staff. The changes gave the catering unit a sound financial footing for the first time since 1996 and are improving the nutritional value, choice and speed of the school meal service.

The unit has been operational since August 2005 and the council reports that it has been able to reduce the average cost of a school meal by 4.24 per cent. At the same time, the council reports school meal uptake has increased by 1.81 per cent in primary schools and 10.88 per cent in secondary schools. The unit is also able to tender for other work and has been asked to provide costs for 14 schools in another local authority. The service has achieved ISO 9000 accreditation.

Source: Audit Scotland

Competitiveness

The council's two Significant Trading Operations (STOs) have achieved break-even and can demonstrate savings in service delivery. The council needs to make more consistent use of option appraisal and better demonstrate best value and competitiveness across its range of services.

90. The council has two STOs, covering property and roads contracts. Both STOs have exceeded the requirement to achieve a three-year break-even position, with a joint cumulative surplus of £851,000 by the end of 2005/06.

91. The STOs cover services formerly subject to Compulsory Competitive Tendering (CCT). During 2006/07 the STOs carried out around £71 million of work. Around £450,000 of this expenditure is carried out through tendered contracts, with an additional £800,000 carried out through a public building maintenance contract originally tendered under CCT

in 1997 and reviewed in 2001. Due to the length of time this contract has been in place it should be subject to review and robust option appraisal to demonstrate its ongoing competitiveness.

92. At a value of around £4 million, the largest element of the STOs' work is in housing maintenance. In 1999, following a review of the housing repairs service, the council adopted a partnership arrangement between its housing and property contracts departments covering responsive repairs, cyclical maintenance, voids and gas maintenance. This takes the form of a service improvement contract (SimCo), designed to bring about greater efficiency and competitiveness.

93. The council's SimCo has resulted in an 11.35 per cent reduction in charges to housing for these services since 1999, equating to a saving of around £1.9 million over this period. However, SimCo has not yet provided all the anticipated benefits, including the planned levels of service

improvement and improved workload planning. This is due to a lack of effective strategic management of the contract. This needs to be addressed as part of the improvement plan derived from the council's recent review of SimCo.

94. Around £1.5 million of the STOs work is roads related maintenance. A best value review of this work in 2005 resulted in an agreement to set up a similar arrangement to SimCo for roads. At the time of our audit the contract had not been implemented. Implementing this contract will improve the council's ability to demonstrate the competitiveness of this work.

95. The council contracts out the bulk of its construction work to the private sector using competitive tendering. During 2007/07, over and above the £7.1 million worth of work carried out by the STOs, £14.3 million was awarded to external contractors, equating to 67 per cent of the council's £21.4 million construction expenditure. Some maintenance work such as roads resurfacing and door replacement include the STOs on the tender list. The council uses that cost information, gathered through these tendering processes, as a basis to gauge the competitiveness of its STOs against the private sector.

96. The council acknowledges that it has difficulties demonstrating best value and competitiveness in certain services, including refuse collection, land services and cleaning; it attributes this to difficulties in identifying valid comparators. Its main method for assessing competitiveness is through benchmarking data from the Association for Public Service Excellence (APSE).

97. The council actively uses this benchmarking data to inform discussions with better performing councils about continuous improvement. The council can demonstrate some positive outcomes from benchmarking, such as the provision of more efficient home care services.

98. Option appraisals have been carried out through some of the council's best value reviews, including its reviews of leisure services and ICT, but the council's option appraisal could be more consistent, robust and transparent.

Managing risk

The council has put in place effective arrangements for managing risk, and it is making progress in developing a corporate risk management culture.

99. The council operates a risk management framework that includes a corporate risk management policy, a corporate risk register, service risk registers and a risk management group responsible for updating the risk register and the risk management policy. The risk management plan, which has been in place since 2003/04, is reviewed and updated each year to ensure that it remains fit for purpose. The review is reported annually to council. The corporate risk register, originally approved in August 2005, is updated as needed. The framework is effective in reinforcing the profile of risk management and creating a positive culture where officers and managers at all levels across the council monitor and manage identified operational and strategic risks.

100. More recently, the council's risk management group has extended its remit to focus on key strategic risks such as business continuity, emergency planning, the budgeting process, and non-compliance with national objectives, laws and regulations. It has made good progress in identifying these risks and ensuring they are managed in delivering services, but the council acknowledges that some lower level risks still need to be addressed.

101. The council's external auditor has reviewed controls in a number of systems to assess whether they operate effectively to prevent or detect any material loss or errors in the financial statements.

In 2004/05, external audit made 14 recommendations to address critical business issues and improve important internal controls that could give rise to loss or error. The council has responded by putting in place arrangements to tackle ten of the recommendations.

102. The council's external auditor has also highlighted gaps in planned internal audit work for some important areas open to the risk of fraud and error including council tax and housing benefit systems.

Managing resources

Finance

The council has improved its financial management and budgetary control systems over recent years, but there is scope for further improvements, especially in relation to capital planning. The council demonstrates innovative practice through its pooled mental health budget with the NHS.

103. The council's financial strategy is linked to *Corporate Priorities* and includes a range of three-year improvement targets and outcomes that focus on:

- improving budget setting, monitoring and reporting, supported by relevant performance indicators
- implementing a new general ledger system and new chart of accounts in 2006/07
- reducing benefit fraud through improved intervention and investigation processes, a robust application of sanctions and increasing fraud awareness.

104. The council's external auditor reported improvements in budgetary control and the accuracy of budget monitoring in 2004/05, reflecting a move away from incremental budgeting to rolling three-year financial plans, better links between

service and financial planning processes, and the establishment of a member/officer working group to develop and challenge budgets.

105. Capital planning arrangements still need to improve. Officers and members have expressed concern about the effectiveness of the council's current arrangements and the level of slippage in the programme. Through its member/officer budget working group, the council is improving its planning of capital expenditure and has now introduced rolling three-year capital plans to better manage any slippages in its programme.

106. In 2005/06, the external auditor reported that the council's reserves policy is to hold an amount equal to 2.5 per cent of annual revenue expenditure to cover unforeseen expenditure. Recognising the need to earmark funding for future equal pay settlements, the council took a decision during 2005/06 to increase its general reserve to a minimum of £3 million and at 31 March 2006, it held a general fund balance of £3.9 million.

107. In addition to its general fund reserve, the council has accumulated a large Housing Revenue Account (HRA) balance of £6.07 million. It intends to use this to fund housing improvements to meet the Scottish Housing Quality Standard (SHQS) by 2015. The external auditor has reported that the level of HRA surplus is the result of weaknesses in planning and projecting housing revenue expenditure in the past. The budget has been subject to a more detailed review this year and this has resulted in smaller variances in projected expenditure at the mid-year review.

108. The council operates a pooled budget with NHS Forth Valley for mental health day care services; this budget was £641,000 in 2005/06 and is disclosed in a memorandum note to the revenue account in the 2005/06 financial statements. More details of this service are provided in [Part 3](#).

109. Following recommendations from external audit, the council improved the quality of the financial information it provides to elected members during 2005/06. Financial reporting to committees now includes more accurate and timely information together with additional narrative to explain significant budget variances.

110. The member/officer budget working group has demonstrated its willingness to reprioritise funding in line with corporate priorities, for instance allocating additional funding to address the council's relatively poor performance in roads maintenance and to improve its transport infrastructure. The budget working group is a useful mechanism for further improvement in linking service planning and budgeting processes, and in setting and monitoring capital expenditure for both housing and general services.

111. The council is well placed to make further improvements. It plans to carry out a three-year analysis of service spending to determine if budgets are realistic; provide a better understanding of financial results; and better project the future financial needs of the council. It also plans to provide additional training for managers with budget responsibility across its four services to improve their ability to monitor and report budgets.

People

The council needs to strengthen its overall approach to managing its human resources. Although it has a policy to manage overall staff numbers, it has yet to agree a human resource strategy and develop strategic workforce management. It has developed a PRD system but this is not yet consistently in place across the council. An appraisal system needs to be introduced for the chief executive. The council is making progress on equal pay but has been relatively slow in implementing single status. The council is tackling absence management but needs to secure further improvement.

112. Through its *Corporate Priorities* and other high-level plans, the council sets out a commitment to developing the skills of its workforce and demonstrates awareness of improvements needed. These include the development of an HR strategy and a corporate training and development plan, consistent application of the PRD across the council with links to the performance management framework, and resolving equal pay and single status issues.

113. In its 2005/06 performance report for human resources, the council identified that its lack of good progress in strategic human resource development was due to the demands placed on the service through major service restructuring in leisure, catering, housing and corporate development services and dealing with priority equal pay issues.

114. The council does not have an HR strategy. It has achieved IiP accreditation in some individual services, including catering and the administration support team within development services, but this is not part of an overall corporate approach. It has put in place some HR policies to support staff including a counselling service, a workplace mediation scheme and a harassment adviser scheme, and at the time of our audit it was developing a stress policy.

115. The council has made some progress in aligning its workforce to its business needs through individual service restructuring projects. For example, within education it has responded to the requirements of the teachers' agreement, and within housing has introduced a career development structure. There is no council-wide strategic workforce planning to ensure that the workforce meets strategic priorities and future needs.

116. The council has introduced a PRD process for appraising individuals' performance against objectives and identifying personal development needs. However, the staff appraisal

system does not extend to the chief executive, and this is an issue the council needs to address. At the time of our audit, around 70 per cent of staff had been through the PRD process. Further work is required to roll out PRD consistently across the organisation, to ensure that individual training needs are met and that PRD is better linked to service plan objectives. In future, the council's plan is to report annually to CMT and elected members on implementation of the process using the recently developed balanced scorecard.

117. The council needs to improve communication with staff. Contact between managers and front line staff is variable across the council and there is no corporate staff newsletter, although some newsletters are produced by individual services or thematic working groups.

118. The council carried out an employee attitude survey during October/November 2006, shortly after our audit visit. In total 1,164 staff responded, equivalent to 39 per cent of all full and part-time employees. The survey shows high overall satisfaction with the council as an employer with 73 per cent of staff generally positive about working for the council. Nine out of ten staff are aware of the council's aims and objectives and its core values, understand their clients' needs and the levels of performance they are expected to deliver, and believe equal opportunities are taken seriously. However, the survey report also reveals a number of priority areas of improvement for the council. In particular, communication, morale, management of change and perceptions of senior management are all issues which staff are less satisfied with and are recommended for early action.

119. The council has had some success in tackling its relatively high levels of sickness absence in recent years:

- Sickness absence among teachers reduced from six per cent in 2004/05, the second highest level of any Scottish council, to 4.3 per cent the following year, although still above the national average of 3.8 per cent.
- Sickness absence among craft employees reduced from 4.8 per cent in 2004/05 to four per cent in 2005/06, one of the lowest levels in Scotland.
- However, sickness absence for chief officers and other local government employees (for instance, management, administrative, technical, clerical and manual staff) rose slightly from 5.4 per cent in 2004/05 to 5.8 per cent in 2005/06, which is one of the highest levels nationally.

120. The council has set a corporate absence target for all staff groups of 4.5 per cent and managing absence is an organisational priority. It is considering new controls, including improving the effectiveness of its Attendance Management Group, and making CMT accountable for the achievement of targets.

121. The council has made relatively slow progress in implementing Single Status. By September 2006, the council had completed around 70 per cent of its single status job evaluation exercise but had not identified a timescale for completion. In tackling equal pay issues, the council had made compensation offers to catering, cleaning and homecare staff, with 80 per cent of employees involved having signed binding agreements at the end of 2005/06. Up to June 2006, the council had spent £1.4 million on equal pay settlements.

Procurement

The council has made efficiency savings in procurement, including economies of scale from consortium purchasing. It has scope to generate more by ensuring goods and services are procured in line with its policy and through initiatives such as e-procurement.

122. The council's approach to procurement is guided by its Procurement Strategy, developed in 2002. At the time of our audit the council was updating the strategy to reflect the current corporate priorities, and recent developments in procurement including the McClelland report and European Union Directives.

123. In 2002, the council commissioned an independent review of procurement, the *Healthcheck* report. It has implemented a number of improvements as a consequence, including appointing a procurement manager in 2003 to develop a more strategic approach to procurement, adopting standard terms and conditions for procuring good and services, and incorporating procedures for tendering and awarding contracts in council standing orders.

124. The procurement *Healthcheck* report highlighted that the council was unlikely to be getting best value from procurement due to high levels of 'off contract' expenditure for key supplies. For example, it identifies that in procuring stationery in 2001/02, the council used 129 separate suppliers and spent £164,238. A further £121,279 was spent through the petty cash system. Since then, it has centralised tendering for key supplies such as stationery and IT consumables. In 2005/06, this generated efficiency savings of £245,000.

125. The report also highlighted weaknesses in knowledge of procedures and systems and some lack of enforcement of procurement policy. In co-operation with TQMI Ltd,

the council has developed a detailed procurement handbook for staff to tackle this issue. However, a recent internal audit of school procurement identified that there is scope for schools to secure further efficiencies by using approved suppliers to purchase goods and services.

126. The council is a member of a purchasing consortium, along with Falkirk, Stirling and Dumfries and Galloway councils, Scottish Environmental Protection Agency (SEPA), Assessors for Central Scotland and Central Scotland Fire Service. This covers supplies such as photocopiers, IT hardware, personal computers and laptops. Purchasing, through the consortium, accounts for £1.6 million of the council's £50 million procurement expenditure. The council's latest reported annual savings from consortium purchasing were £97,000 in 2005/06, below its target of £140,000.

127. At the time of our audit, the council had not implemented e-procurement and had placed this on hold pending its shared services feasibility study with Stirling Council.

Assets

The council has adopted a framework for asset management and now needs to use this to manage its assets more consistently and effectively.

128. The council has approximately £277 million in fixed assets, including council housing (£144 million), land and other buildings (£101 million), investment properties (£15 million), and infrastructure (£13 million).

129. The council has adopted a corporate asset management plan and established a Corporate Asset Management Planning Team (CAMPT). It has also established a specialist Asset Management Team within property services. These developments provide a framework within which the council can manage its assets effectively.

130. A best value review of asset management in 2004 highlighted scope to improve the effectiveness of the CAMPT. There have been some improvements, for example establishing close links between the CAMPT and the budget working group, but the council still has to achieve greater consistency in managing assets across the council.

131. There are examples of more effective asset utilisation, including the reuse of a community facility in Sauchie as a central catering facility and the transfer of two halls to the management of community trusts.

132. The council has had a schools estate management plan in place since 2003, which has targeted funding towards individual schools and informed its Public Private Partnership (PPP) project for new secondary schools. This plan is integrated into the corporate asset management plan.

Information technology

The council is improving ICT within its modernisation programme. It is making good progress against national Efficient Service Delivery (ESD) targets.

133. In 2004, the council carried out a best value review of ICT services. This raised serious concerns about the effectiveness of the service, including the lack of an ICT strategy and service level agreements to assess the performance of ICT services, weaknesses in budgetary control, and poor customer satisfaction with the help desk, training and communications.

134. The review considered options for delivering ICT services, but a rigorous option appraisal exercise was not carried out. As a result of the identified strengths within the ICT service and positive results from benchmarking and consultation exercises, the council decided to keep the existing service arrangements, supported by an improvement plan.

The council has made improvements in ICT, by developing a strategy, establishing a governance group, centralising its budget, and restructuring the service to be an integral part of business improvement and technology services, which is responsible for taking forward the Customer First programme.

135. The improvements were confirmed by an external audit review of the use of IT in October 2005. The report identified a number of improvements within the ICT service, including more effective links between elected members and CMT, regular reporting of projects, and performance self-assessment. The council has addressed seven of the 14 recommendations made in the review, but there remain a number of outstanding action points including reviewing the IT strategy to provide clear direction and further developing the balanced scorecard to strengthen performance management and reporting.

136. The council is making good progress against national ESD targets. At the time of our audit it had achieved 100 per cent of targets for providing information online, 44 out of 46 targets (96 per cent) for one-way interaction, 36 out of 45 applicable targets (80 per cent) for two-way interaction, and 16 out of 38 applicable targets (42 per cent) for full online transactions.

Customer care

The council has a number of initiatives to improve customer care and responsiveness. Many are relatively new and implementation is variable across its services. The council's highly rated website is customer focused, allowing for online transactions, and is accessible and well used. The council needs to use customer feedback and complaints more effectively to identify service improvements and help it to assess customer views.

137. The council drafted a Customer Service Strategy in 2005 as part of its customer first programme to develop a culture of customer focus and responsiveness. The strategy had not been formally approved by members at the time of our audit although the majority of actions were due to be implemented before April 2007. Delivery will require significant resources and clear prioritisation.

138. With investment from the Modernising Government Fund (MGF), the council introduced a customer contact centre for telephone enquiries in October 2003. This was a positive response to a consultation exercise which showed that 70 per cent of the public preferred to contact the council by telephone. It has made good progress in developing the contact centre which now deals with a high volume of enquiries. The council has increased staffing to improve performance, reviewed the demand for extending opening hours, and provided customer care training to all contact centre staff to ensure a consistent quality of service. It plans to roll out this training to all front line staff, although specific plans and timescales for this are yet to be agreed.

139. Customers can access the council through community access points (CAPs) and local offices. A review of this provision in 2005 concluded that they do not achieve the planned outcomes of high quality, efficient and effective joined up customer service. For example, customers with multiple enquiries may need to visit a number of different offices, and the type of information and services available is inconsistent.

140. The council is now beginning to address the weaknesses identified by this review as part of its Customer Service Strategy. It plans to consolidate the existing network of services in Alloa within an integrated Customer Service Centre, and examine the remaining network of CAPs and local offices through the corporate asset management group.

141. The council's website, Clackswab, was ranked in the top 20 UK council websites in 2006 by the Society of Computer and Information Technology Managers (SOCITM). It was one of only three UK websites to get SOCITM's AA accessibility rating, highlighting the commitment to meeting the needs of all its users. It is one of only three Scottish council websites to be classed as 'transactional' for online services such as payment, applications, bookings and renewing library books, and it provides downloadable forms and online form filling (eg, for service requests and appointments).

142. Clackswab is among the top 20 most used council websites in the UK. The council is working to improve the range of information available, having recently added access to council and committee agendas, minutes and reports. It needs to ensure that information on the website is kept up to date.

143. Some individual services have adopted customer care standards to help evaluate the quality of the services they provide. For example, development and environmental services were awarded Charter Mark accreditation in 2000 for 'excellence in customer care'; housing services have customer service standards that were developed in conjunction with customers. The council is developing corporate customer service standards, which it plans to launch over the coming months.

144. The council introduced a revised corporate complaints procedure in 2006 to provide a more consistent approach to handling complaints. The procedure is well publicised and customers can easily complain online, by telephone or letter, or in local offices. The council needs to ensure that complaints are monitored and reported effectively, in a way that allows for clear scrutiny and improvement action.

Equal opportunities

The council can demonstrate good examples of promoting equality of opportunity and shows a clear commitment to raising the profile of equalities. It needs to update its equalities policy and develop monitoring and reporting systems to demonstrate progress in delivering equality.

145. The council has adopted equity, fairness and inclusion as organisational values. It agreed a corporate equal opportunities policy in 1997 but it has not developed monitoring arrangements sufficiently to be able demonstrate its impact. The council needs to review its policy to ensure it is consistent with current equal opportunities legislation.

146. The council is driving forward the equal opportunities agenda and encouraging mainstreaming across services. It has established a network of equalities 'champions', including the equalities officer, head of human resources, director of corporate development, and other staff from across services, to take forward the statutory equalities duties and promote equalities within their own services. In addition, the social inclusion and regeneration portfolio includes an equalities remit, providing an opportunity for equalities to be championed by an elected member.

147. The council has published its Race Equality Scheme for 2005-08 which sets out priorities for action over the next three years. These are informed by an impact assessment carried out across all council functions. At the time of our audit, the council was developing its Disability Equality Scheme and was involving local disability groups in doing this. The council plans to take forward its various statutory equality schemes through an overarching council-wide Diversity Scheme that will include action plans across all the relevant elements of equal opportunities.

148. Monitoring and reporting progress in delivering equalities could be improved. The performance information about equalities reported through the balanced scorecard is limited to SPIs, with no wider staff or customer-related data. The council recognises the need to embed clearer equalities goals, targets and actions within its business planning processes against which to measure and scrutinise performance.

149. There are some good examples of promoting equality of opportunity within the council, including:

- a Racial Attack and Harassment Multi-Agency Strategy (RAHMAS) developed with key partners
- service level agreements with Central Scotland Racial Equality Council, Rape Crisis and Shopmobility
- a commitment to inclusive employment initiatives, having achieved the Two Ticks award given to employers who have agreed to take action to meet five commitments regarding the employment, retention, training and career development of disabled employees
- equal opportunities training offered to all employees each year and compulsory for all new managers
- the success of Clackswab in the accessibility tests of the Shaw Trust (a national charity that provides training and work opportunities for people who are disadvantaged in the workplace due to disability, ill health or other social circumstances).

150. SPI data for 2005/06 shows that the percentage of women in the highest earning two per cent of employees has increased from 25 per cent to 33 per cent during the year, and is above the national average. Approximately a third of the highest earning five per cent of employees are

women, slightly below the national average. Approximately 70 per cent of the council's public buildings are accessible to disabled people, which is one of the highest levels nationally.

Sustainable development

Sustainable development is given a high profile within the council. The council has an excellent recycling rate, and new transport, housing and retail developments are contributing to the social and economic sustainability of the area.

151. Sustainability is a key theme in the council's community plan, vision document and *Corporate Priorities*. It has made good progress in establishing a framework allocating responsibilities for sustainable development and is able to demonstrate positive achievements, for example in recycling rates. The council is still at a relatively early stage in embedding its approach to sustainable development within services, but is aware of areas where it needs to improve. Activity is under way to complete a sustainability strategy and sustainable procurement policy, integrate sustainability indicators in service plans, and audit the environmental management system.

152. The council has a portfolio holder for sustainability to champion sustainable development and to ensure sustainability issues are considered in the policy and decision-making processes. The director of development and environmental services has corporate responsibility for progressing sustainability, supported by a sustainability team. A Sustainable Clackmannanshire Group, comprising senior officers, has been established and is augmented by a network of sustainability champions across the council, supported by sustainability training.

153. The council is actively raising the profile of sustainability in a number of ways, including a public launch of its sustainability initiative, running a Green Office campaign and green staff suggestion scheme, reporting progress to staff through a sustainability bulletin, and using Clacksweb to disseminate information on sustainability issues to the public. It has plans to develop sustainable design and construction guidelines, a sustainability checklist for all reports going to council and committee, a dedicated sustainability micro site and staff online forum. Its work to date was reflected in the recent Citizens' Panel survey, which showed that the most highly rated service of the council was encouraging people to be more environmentally friendly, with a 52 per cent satisfaction rating.

154. There have been some examples of successful and innovative projects in Clackmannanshire:

- A highly successful recycling strategy in partnership with Alloa Community Enterprises Ltd following the introduction of an area waste plan in 2004. The 2005/06 SPI shows the council had the best recycling rate of all authorities in Scotland with 40.1 per cent of waste recycled. This represents a significant increase from only six per cent in 2003/04.
- The Black Devon Landfill Project recently received an award for environmental project of the year by APSE. The project transformed the county's landfill site into a wildlife haven. This site adjoins the Black Devon Wetland which was launched in 2001 as the first known 'managed retreat' project in Scotland to increase biodiversity.
- An innovative approach to development at Alloa through plans to test Sustainable Design and Construction Guidelines. Social sustainability is a key aspect of the project and the community

are involved in consultations with the council, the developers and the architects. A Green Mapping Exercise has been used in which members of the public can map their views and expectations ([Exhibit 8](#)).

155. The council is also working to improve the social and economic sustainability of the area through improving transport links, attracting retail and housing development, regeneration of the eastern part of Clackmannanshire, and inward migration. To address difficulties in recruiting and retaining staff, the council has been looking to create a sustainable workforce by adopting inclusive employment initiatives aimed at attracting and developing a local skills base.

Part 3. How do services perform?



The council's performance varies across services with an above average proportion of SPIs among the best performing councils in Scotland but also a slightly above average number among the worst performing councils.

It has good performance in aspects of child and adult care, recycling, traffic light repair and dealing with planning applications and noise complaints. There are areas that need to improve, including educational attainment, aspects of housing, respite care, food hygiene and trading standards inspections, cultural and community services, and refuse complaints.

The council works well with partners and has good structures in place for delivering community care services and to tackle antisocial behaviour.

Statutory Performance Indicators

156. Each year Audit Scotland collates SPIs for each Scottish council and publishes council profiles that indicate comparative performance over a range of services. The list of SPIs and definitions are reviewed annually in continual efforts to evaluate performance in the most effective way and the fact that the data is statutory and audited enables not only historical comparison within councils but also comparison across all councils. In 2005/06, the SPIs allowed for comparison of performance across councils for 78 indicators and a three-year trend comparison for individual councils across 50 indicators.

157. The council was ranked in the upper quartile (among the top eight of Scotland's 32 councils) for 25 SPIs in 2005/06. This is a quarter more than the average number for councils across Scotland ([Exhibit 10](#)), although represents a decrease from 28 in 2004/05. For 12 of these SPIs, Clackmannanshire Council had the best performance nationally. [Exhibit 10](#) shows that development services, education and children's services,

Exhibit 10

SPI comparison with Scottish councils: Number in each quartile by service area¹

	Upper quartile	Middle quartiles	Lower quartile
Adult Social Work	9	8	3
Benefits Administration	1	2	0
Children's Services	6	3	1
Corporate Management	3	5	3
Cultural and Community Services	0	6	1
Development Services	2	0	0
Housing	1	4	3
Protective Services	1	2	3
Roads & Lighting	1	2	1
Waste Management	1	2	2
Total	25	34	17
Scottish average	20	42	16

¹ In 2005/06 Clackmannanshire Council did not provide a service against one SPI and provided unreliable data for one SPI, so SPI comparisons only shown for 76 SPIs.
Source: Audit Scotland SPIs

Exhibit 11

SPI performance change between 2003/04 and 2005/06

	Measures that worsened by ...			Measures that improved by ...		
	> 15%	10–14%	5–9%	5–9%	10–14%	>15%
Clackmannanshire	12	4	3	3	3	10
Scotland average	7	3	3	3	3	12

Source: Audit Scotland SPIs

and adult social work have high proportions of indicators in the top quartile. In contrast, the council was in the lower quartile of performance (among the bottom eight councils) for 17 indicators, with the table showing a relatively high proportion of indicators for protective services and housing in the lower quartile.

158. [Exhibit 11](#) shows that between 2003/04 and 2005/06 the council's performance has improved by more than five per cent in 16 indicators and declined by more than five per cent against 19 indicators.

159. The areas in which the 2005/06 SPIs show the council to have made greatest improvement since 2003/04 include:

- the percentage of homecare clients aged 65+ receiving personal care
- the percentage of homecare clients aged 65+ receiving care in evenings/overnight
- residential places for children that have en-suite facilities

- working days lost through sickness absence for teachers
- women amongst the highest paid two per cent of council earners
- the number of users of learning centres and learning access points and the usage of terminals in these access points
- the percentage of the road network that should be considered for maintenance
- dealing with litigation claims
- dealing quickly with noise complaints
- repairing traffic lights quickly.
- The percentage of council tax income collected in 2005/06 improved slightly from 91.2 per cent to 92.1 per cent; the council's performance is ranked 26th nationally.
- The percentage of income from non-domestic rates that was received during 2005/06 improved from 93.3 per cent to 96.5 per cent, with the council's ranking nationally improving from 30 to 17.
- The percentage of invoices paid within 30 days has deteriorated over the past two years from 78.5 per cent in 2003/04 to 72.1 per cent in 2005/06, currently the second worst of any Scottish council.

160. In 2003/04, Clackmannanshire Council had 11 indicators ranked in the bottom quartile. By 2005/06, the council had shown significant improvement (more than five per cent) in five of these. However, it had not shown significant improvement in several areas including:

- attendances at pools
- completing its duty for those assessed as homeless or potentially homeless
- processing consumer complaints quickly
- repairing street lights quickly
- the number of refuse complaints.

Corporate management

161. The main focus of this section is on the performance of individual services. There are, however, a number of SPIs that relate to corporate management. There has been improvement in some areas of poor performance:

- The cost of collecting council tax per dwelling improved in 2005/06 from £14.21 to £14.07; the council is ranked 20 of 32 Scottish councils.

162. Our audit has focused on performance within a selection of the council's services, and action on its key priority of reducing crime and the fear of crime and tackling antisocial behaviour. This audit focused on services that are closely aligned to the council's main challenges in relation to Clackmannanshire's context, impact directly on local communities, and are performing particularly well or poorly in the council's self-assessment.

Antisocial behaviour

The council is working well with its partners and has established multi-agency structures to tackle antisocial behaviour. There is evidence that some developments are having a positive effect.

163. The council's strategic objective to 'work with the police and other partners to reduce crime and the fear of crime and to tackle antisocial behaviour' is a key element in delivering the corporate and community plan priority of 'maximising the quality of life for people in Clackmannanshire'. This objective has particular resonance among citizens and communities, as indicated by the level of residents' dissatisfaction reported in the first

survey of the Clacks 1000 and a high public turnout at Clackmannanshire Alliance consultations on antisocial behaviour. Its importance is also reflected in the fact during 2005/06 the level of crime reported in Clackmannanshire increased by 12 per cent, compared to a five per cent drop in recorded crimes nationally.

164. The council is developing a good approach to antisocial behaviour in conjunction with its key partners in the Clackmannanshire Alliance. Through the Alliance, it has established a number of useful multi-agency structures:

- A high-level community safety theme team comprising all relevant agencies.
- An antisocial behaviour strategy group with responsibility for developing the multi-agency strategy and policy.
- An antisocial behaviour policy executive group that monitors expenditure against defined areas in the strategy and outcome agreement.
- An operational group for dealing with practical day-to-day issues on a multi-agency basis.

165. The Alliance has developed an overarching antisocial behaviour strategy and outcome agreement, which it has submitted to the Scottish Executive to demonstrate what it aims to achieve from its antisocial behaviour funding. Through the outcome agreement the Alliance has set targets and milestones against which it aims to demonstrate progress in achieving its strategic commitments.

166. To support the antisocial behaviour strategy, the council is developing a policy to translate its high-level commitments into more detailed and practical objectives. The policy will include protocols for information sharing with the police to

overcome data protection constraints in sharing personal information between agencies.

167. The council has used antisocial behaviour funding to employ dedicated staff including an antisocial behaviour coordinator, a team of community wardens, an environmental link warden, and a dedicated lawyer to process applications for antisocial behaviour orders (ASBOs). In addition, the council has a number of other good initiatives for responding to antisocial behaviour, for example, through the Clackmannanshire Antisocial Behaviour Liaison and Mediation (CALM) team the council has 28 trained mediators.

168. A Forth Valley wide survey of tenants has demonstrated that they value the work being done by the community wardens.

169. There is a range of evidence of joint working to tackle antisocial behaviour problems:

- 'Problem solving partnerships' with Central Scotland Police.
- Joint patrols by police and community wardens raising the profile of the role of the wardens.
- Joint antisocial behaviour training for partners.
- Linking the council's and police's databases and jointly employing an analyst to identify and report on antisocial behaviour hotspots to inform the work of the community wardens and the antisocial behaviour operational group.

170. In addition, there are a number of initiatives to tackle antisocial behaviour, with evidence that some are having an impact:

- Twilight football leagues and 'blue light' discos. Antisocial behaviour related calls have dropped during the periods these activities have

taken place. Data for July 2006 shows that no antisocial behaviour calls were received from Sauchie on Wednesday 12 July, a night that twilight football took place, in contrast to the previous and following Wednesdays, when 14 and ten calls were received respectively.

- Piloting a junior warden scheme targeted at children aged nine and above.
- Tidy teams, where the council has provided communities with equipment to clean up their area.
- 'Schools Out' and 'Schools In' campaigns resulting in a reduction of £16,000 in dealing with graffiti in one high school.
- A vandalism initiative where community wardens have been provided with cameras for recording instances on antisocial behaviour. As a direct result one individual has been charged with 22 counts of antisocial behaviour.

Services to people

171. Services to people includes a broad range of council services which are intended to meet the personal needs of individuals and families, including all of the council's education, housing and social services functions and services such as leisure, libraries, cultural activities, and community learning and development. The service also carries corporate responsibility for the cross-cutting theme of social inclusion.

172. In carrying out our audit work we examined community care and older people's services in social work, housing services, community services, and education. For education we have referred to HMIE's INEA2 inspection report published in May 2006, following an inspection carried out in 2005. We undertook less detailed work in housing services as a Communities Scotland inspection took place in late 2006.

Education

HMIE's INEA2 pilot inspection concluded that the council's education service has a mixture of strengths and areas for improvement. It praised some areas of innovation, but more action is required to improve attainment and to involve communities in influencing the services provided for them.

173. Clackmannanshire is the smallest mainland education authority with three secondary schools, 19 primary schools, four nursery schools and two special schools.

174. In its INEA2 pilot inspection report ([Exhibit 12, overleaf](#)) HMIE identified areas of strength and innovation within education including clear priorities and targets, appropriate strategic planning and the deployment of resources, a strong base of teamwork, shared purpose, and high levels of motivation throughout the service.

175. HMIE noted that the council continues to face key challenges in delivering education services, and needs greater action to secure improvement in attainment levels, exclusions from schools and the provision for looked after and accommodated young people. HMIE's full findings are outlined in its inspection report, which is available at: www.hmie.gov.uk/documents/inspection/ClackmannanINEA2Pilot.pdf

176. Areas of innovative practice highlighted by HMIE include the council's Thinking Through Philosophy programme ([Exhibit 13, overleaf](#)), and its Synthetic Phonics programme. Clackmannanshire pioneered the system of synthetic phonics that teaches children to read by teaching them letter sounds and how these sounds can be blended together to build up words. An external evaluation by St Andrew's University has identified the positive impact this has had on pupils' reading and spelling ability, particularly that of

Exhibit 12

Pilot inspection of the education functions of Clackmannanshire Council, May 2006

Overview of HMIE's assessment against core quality indicators

The following were judged to be *Very Good*:

- Impact on parents/carers and families
- Impact on the wider community.

The following were judged to be *Good*:

- Performance against local objectives
- Impact on learners
- Impact on staff
- Vision, values and aims
- Leadership and direction
- Developing people and partnership.

The following were judged to be *Adequate*:

- Continuous improvement and performance
- Leadership of change and improvement.

The following were judged to be *Weak*:

- Impact on the local community

Source: HMIE Pilot Inspection of the Education Functions of Clackmannanshire Council, May 2006

Exhibit 13

Features of good practice: Thinking Through Philosophy

All primary schools delivered a programme of lessons to pupils in P6 and P7 which involved them in philosophical enquiry. Staff were trained in the aims of this initiative and in the delivery of these lessons. Lessons involved the use of very high levels of open-ended questions and feedback to pupils.

Outcomes for pupils:

- measurable and sustainable gains in cognitive abilities
- improved self-esteem and self-confidence
- improved discussion and communication skills
- increase participation and engagement in classroom activities
- improved levels of concentration
- improved behaviour.

Source: Her Majesty's Inspectorate of Education, May 2006

boys. The impact of synthetic phonics has also been endorsed by the Scottish Executive and has gained international recognition.

177. Areas for action identified by HMIE include better monitoring of improvement initiatives and a more systematic approach to identifying and sharing good practice. Levels of attainment continue to be a priority for the council and, while it is making progress, they continue to be below the Scottish average and comparator authorities. HMIE acknowledges the lead given by elected members and officers to raising pupils' attainment but stresses the importance of further action in this area.

178. HMIE highlighted the substantial rise in the number of pupils excluded from primary schools between 2003 and 2005, to a level around twice the national average and that of its comparator authorities. It noted though that the council's appointment and deployment of an attendance and welfare officer in each of the three school clusters was beginning to impact on improved levels of attendance. This is reflected in Scottish Executive data for 2005/06 which shows that although primary school exclusions continue to be above the national average of 15 per 1,000 pupils, they have improved notably from 25 to 19 per 1,000 pupils.

179. HMIE recognised the council's commitment to early intervention in supporting children with difficulties in development and learning through its psychological services, early-years staff and health visitors working together, parenting skills programmes, and a primary school nurture group. There is some indication that the council's interventions are having a positive effect, with pupils excluded on numerous occasions in 2004/05 having much lower or no exclusions in the following school session.

180. The council is in the process of replacing its three secondary schools through a £57 million PPP scheme. It has designed the new schools to be as flexible as possible so that they can be adapted to accommodate changing education developments over the next 30 years as well as projected future demographic changes.

181. As a result of adverse public reaction to proposals to close a nursery school, the council decided to involve the community to a greater extent in reviewing services for three to 12-year-olds. In May 2005, the council agreed to take forward an extensive public consultation on developing a school estates strategy for the three to 12 age group by establishing a Civic Commission. This consultation exercise was still ongoing at the time of our audit and not scheduled to finish until late 2007.

Social work

The social work service delivers some aspects of adult and children's services well and there is some very effective, integrated working with health partners in delivering community care services. Improvement is required in the timeliness of supervision orders for children, implementing the planned joint commissioning strategy for community care, and the provision of daytime respite care for adults and older people. The council also needs to improve its management of the homecare contract to ensure agreed outcomes are being delivered.

Children's services

182. The council delivers children's services through its 2005 Integrated Children's Services Plan. This plan demonstrates a shared vision with partners and an integrated planning and service delivery framework for delivering the child protection reform agenda.

183. Performance information for children's services shows that the council has some strengths, as well as some areas in need of improvement:

- A high proportion of children being looked after by the council are in community placements: for children looked after in residential care homes, the council has the highest percentage of qualified care staff (83.3 per cent compared to a national average of 47.9 per cent in 2005/06), provides all places in single rooms and has the highest proportion of places with en-suite facilities.
- The percentage of children made subject to a supervision order that were seen by a supervising officer within 15 days was among the lowest in Scotland during 2005/06, with performance deteriorating from the previous year.

184. A best value review of looked after children in March 2005 reported that the council provides a high-quality service for looked after children and young people: it meets current statutory requirements; national data and benchmarking information show it to be cost effective and efficient compared to other councils; it is delivered to high professional standards; and is regularly monitored and reviewed. The service is generally viewed by service users (parents and children) and partner agencies as an efficient, effective and child-centred service.

185. In addition to these positive findings, the review also identified an action plan for areas in need of improvement: meeting timescales for reports to looked after children's review meetings and to children's hearings; giving parents the opportunity to complete their own reports for these meetings; and the quality of case recording.

186. The council's children's rights service has been developed to emphasise the importance of the council taking an integrated approach to children's rights across all of its activities. For instance a children's rights officer is a member of both the homelessness and antisocial behaviour strategy groups. The council's children's rights service also provides an advocacy service, available to all children and young people in Clackmannanshire. The council also has a partnership arrangement with 'Who Cares? (Scotland)' to offer an advocacy service for looked after and accommodated children and young people in Clackmannanshire.

187. The children's service has recognised the need for additional staffing resources to keep pace with growing demands on the service. Despite having had some difficulties in recruiting qualified staff, at the time of our audit the council had recruited two child protection officers to strengthen its service for the future.

Community care services

188. Community care services are delivered jointly between social services and Forth Valley Health Board through implementation groups covering specific clients, such as people with mental health needs and people with physical disabilities. The positive progress made by this partnership is demonstrated in the pooling of mental health budgets ([Exhibit 14, overleaf](#)), plans to develop a joint commissioning strategy, and the latest indicators in the Scottish Executive's Joint Performance Information and Assessment Framework (JPIAF) for 2005/06, which show good and improving progress overall. In addition, a new community hospital to be built in Alloa will further integrate the delivery of community services, with social work and health staff being co-located within the facility.

189. The council performs well in moving people from hospital into community care, having reached the Scottish Executive target for 2007, with no delayed discharges above six weeks.

190. Performance on a new SPI introduced in 2005/06 shows that the council provides almost no daytime respite care for adults.

191. Social services has ISO accreditation as a mark of quality in its residential, respite and day care services for older people, people with physical disabilities and learning disabilities.

192. The council contracts most of its homecare services from the independent sector. Its contract with registered care providers sets out quality standards in respect of privacy, rights, independence and choice for service users. This contract commits the council to reviewing performance against these quality standards annually. However, the outcomes of annual reviews are not formally reported and the council is not therefore able to demonstrate that homecare services are being delivered to the expected standards.

Older people's services

193. Significantly higher than average projected population increases in the 60/65+ years age group (31 per cent compared to 19 per cent for Scotland) and in the 75+ age group (87 per cent compared to 53 per cent for Scotland) will have a major impact on the delivery of community care services and older people's services in Clackmannanshire. The council is performing well in its provision of residential accommodation for older people, with 2005/06 SPIs showing that older people in residential places all have the privacy of single rooms, 84 per cent have en-suite facilities – one of the highest levels in Scotland – and the council has the highest percentage of qualified care staff working in care homes for older people at 74 per cent.

Exhibit 14

Pooled budget within integrated mental health services

The community mental health service is integrated in Clackmannanshire, with one manager and a pooled budget. This pooled budget between the council and Forth Valley NHS is one of the first examples in Scotland. The pooled budget for this service during 2005/06 was £641,000, with the council's contribution being 65 per cent.

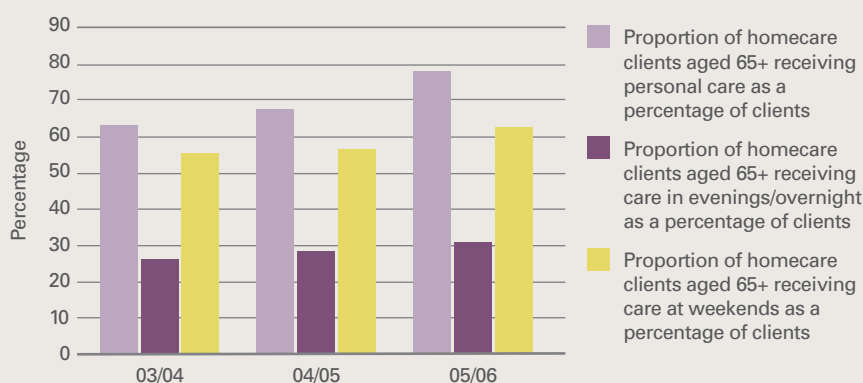
An important step for partners was agreeing joint outcomes to facilitate flexibility in how money was to be spent. There was also significant effort invested in identifying risks and establishing a protocol for risk sharing, which includes building in tolerances around overspends.

Adopting a pooled rather than aligned budget has greatly supported the process of vacancy management by allowing staff to be recruited to where they are most required. The service has a strong focus on continuous improvement, working to introduce a clearer referral process to allow specialist workers to focus on their areas of expertise, strengthening the counselling and self-help service, and modernising the skills training service.

Source: Audit Scotland

Exhibit 15

Home care provision for older people



Source: Audit Scotland Statutory Performance Indicators

194. SPIs also indicate that the council is increasingly targeting its homecare services towards clients with the greatest needs. The 2005/06 data shows an increase in the proportion of homecare clients receiving personal care, as well as increasing flexibility in providing services during evenings/overnight and at weekends and this is occurring in the context of a reduction in the total number of homecare hours available (Exhibit 15).

195. SPIs for 2005/06 relating to respite care for older people show some variation in the service provided in comparison with other councils. The council provides the second highest level of overnight respite care nights for older people per 1,000 population but almost no daytime respite care for older people. It plans to develop respite options further, in consultation with carers, and this is to be taken forward through implementation of its local Carers Strategy.

196. User and carer consultation carried out by the Community Health Partnership (CHP) identified that there is little representation of older people in local planning forums. As the number of older people relying on the council's services is projected to significantly increase, tackling this will be an increasingly important issue. The council has identified this as an improvement for the older people's joint implementation team.

Housing

The council's housing stock is in good condition and the council plans to exceed the SHQS. Performance against many of the housing SPIs is poor and deteriorating. The service is currently undergoing a fundamental restructuring to tackle performance problems, but the benefits have yet to be realised in improved service performance. Housing has played an important role in the development of the antisocial behaviour strategy. A recent inspection by Communities Scotland has assessed housing management, property maintenance and homelessness services as being 'fair'.

197. The council is committed to delivering significant improvements in housing quality for its tenants, in line with the government's SHQS. Following an independent housing stock survey it has decided to retain ownership of its housing, which it reports to be among the best condition in Scotland, with around half of its 5,300 houses currently meeting the standard.

198. The council has developed the 'Clackmannanshire Standard' which aims to exceed the national SHQS, and to include new exterior doors, kitchens and bathrooms. The council plans to invest surpluses in its housing revenue account to improve housing conditions, and at the time of our audit was drawing up an investment programme and rent strategy for these improvements.

199. Between September 2003 and March 2004, the housing service was subject to a fundamental review. This was in response to growing awareness among both elected members and officers that the council's housing services were not appropriately structured to deal with its new and increasing strategic responsibilities. The result has been a restructuring exercise and significant changes in working practices, personnel and the culture within the service to modernise it and make it more customer focused. The restructuring process was still to be completed at the time of our audit.

200. The performance of the service remains relatively poor against many of the 2005/06 SPIs:

- The percentage of rent loss due to voids has improved over the last year from 4.1 per cent to 3.7 per cent, but still compares poorly with the national average of 2.29 per cent.
- Only 12.5 per cent of houses classified as not being in low demand were re-let within four weeks, with the average re-let time being 159 days. These compare poorly with the national averages of 44.2 per cent within four weeks and average re-let time of 64 days. This performance is also among the lowest performance levels nationally.
- Current rent arrears are 9.0 per cent, which compares relatively poorly with the national average of 7.0 per cent and represents a significant deterioration from 7.7 per cent in 2003/04. The proportion of tenants with long-term rent arrears is 6.8 per cent, which also compares poorly with the national average of 4.5 per cent and represents a significant deterioration from 4.2 per cent in 2003/04.

- The average time between someone presenting as homeless and the council completing its duty for those assessed as homeless or potentially homeless is 21.2 days, above the national average of 16.5 days. The council's performance for this indicator has deteriorated significantly from 16.5 days in 2003/04.

- The percentage of council house sales completed within the national target of 26 weeks is 61.5 per cent, below the national average of 74.6 per cent. For this indicator, the council's performance has deteriorated from 73.4 per cent in 2003/04.

201. The council is carrying out other improvements within housing to address its weaknesses in performance including a choice-based lettings scheme to improve the allocation of houses, developing customer service standards, and reviewing its homelessness and repairs processes. As a result of these changes the council is anticipating significant improvements in performance during 2006/07.

202. The council acknowledges improvements are also required in reporting, categorising, prioritising and taking action on repairs. It carried out slightly more repairs on time in 2005/06 than in 2004/05 (82.7 per cent compared with 82.4 per cent) but its performance is still lower than in any of the three years between 2000 and 2004.

203. In principle there are good arrangements in place between housing and property services for carrying out repairs through the SimCo contract. However, the lack of monitoring of this arrangement has meant that the planned service improvement has not been achieved. A best value review is proposed for housing repairs during 2007, but the status and coordination of this review compared with the additional planned business improvement team activity is unclear.

204. Staffing constraints and difficulties with contractors have delayed the capital programme for replacing kitchens and bathrooms. As highlighted in [Part 2](#) of this report, recent changes in capital programming brought about by the council's transition to three-year capital planning, along with staff developments in the service, are now providing greater flexibility in managing these issues.

205. Housing services has played an important role in developing the partnership approach to tackling antisocial behaviour, piloting the community warden scheme in partnership with Central Scotland Police and implementing other initiatives such as the CALM team.

206. Following our audit, the council's delivery of housing services was inspected by Communities Scotland between November and December 2006. The inspection assessed the council's delivery of housing management, property maintenance and homelessness services as all being 'fair'. Communities Scotland's assessment indicates that each of these areas has some strengths, but identifies a small number of significant weaknesses and says that many improvements are required. Communities Scotland's inspection report is available from www.inspection.communitiesscotland.gov.uk

Community services

The council has made limited progress in developing its community services. It lacks clear strategies for its Community Learning and Development (CLD) and cultural services and the management of its assets. There is a lack of performance information and quality standards against which to assess the performance of the service.

207. Community services comprises community education and community development; children and youth team; adult education team; library, museum and archives services; leisure services; and sports and arts activities. Community facilities in Clackmannanshire include leisure centres, community centres, town halls, an equestrian centre, ski centre, youth leisure centre specifically for under 18s and Gartmorn Dam and Visitor Centre.

208. The council's own assessment of the performance of community services is limited, with no areas identified in its improvement plan. The council does not have a clear strategic direction for its community services and for managing the service's leisure assets.

209. Difficulties in the relationship between the council and some voluntary sector partners have resulted in a failure to agree action plans for the CLD strategy and an unsuccessful joint bid for an ROA project. This issue was highlighted in HMIE's INEA2 pilot inspection report in May 2006, which reported an adverse impact on the local community and that key strategic documents to help direct community involvement were not in place. The council has some good individual cultural projects, for example preservation work for the architectural heritage in the area and joint events organised with the Scottish Traditional Dance Trust. Overall it would benefit from being able to demonstrate a clear, coordinated direction for its range of cultural services through a formally agreed cultural strategy, as recommended in Scottish Executive guidance.

210. The council has begun working to address the strategic issues and build a clearer direction for CLD services based around three themes of Learning for Adults, Learning for Young People and Building Community Capacity. At the time of our audit,

this work was at an early stage, and the respective roles and actions of the council, the voluntary sector and ROA partners had not been clearly defined. Progress on the theme of Building Community Capacity requires particular attention given that the council is seeking to more actively involve local communities in running community facilities, as is the case with Devonvale Hall in Tillicoultry.

211. In April 2005, the council resumed direct management of leisure facilities from a leisure trust established in 1999. Despite the loss of rate relief available to the leisure trust, the council decided on the in-house delivery of leisure services as the best option to address a number of improvement issues identified in its best value review of the leisure trust in December 2004. These included ensuring that trust membership complied with new charity legislation, addressing planning difficulties resulting from the absence of any long-term financial arrangement with the trust, and other management issues. We have commented on the lack of transparency in making this decision in [Part 1](#) of this report.

212. The council's Asset Management Plan has highlighted the need for greater strategic direction and management of the service's leisure facilities. The service is drafting a leisure facility development plan to address the sustainability of assets, the over-provision of some services and gaps in identified priority sports. At the time of our audit, this plan was still in the early stages of development, with significant issues still to be progressed, including quantifying the required level of capital investment, agreeing a process for consulting and engaging communities and developing business plans in conjunction with potential partner organisations. In developing its strategy for leisure facilities, the council would benefit from ensuring clear links with its other strategies for libraries, community facilities and customer contact points.

213. In addition to setting a clearer direction for community services, the council also needs effective performance information to gauge its success. Performance measures relating to attendance at indoor leisure facilities are not reliable and measures put forward in the balanced scorecard report are limited. While the service recognises the importance of collecting customer feedback, it has yet to establish a way of capturing and reporting this.

Development and environmental services

214. Development and environmental services bring together most of the council's regulatory, property and contract services. It is structured into three main services (development, environmental and property) and the service has corporate responsibility for sustainability.

215. Parts of the service have a good history of using quality initiatives. For example, development services – planning, building standards and roads & transportation – were awarded Charter Mark in 2000 and 2005, its support service received liP accreditation in 2006, and the catering service has ISO9000 accreditation. The director is keen to further develop a culture of using quality initiatives and is championing change within the service.

216. The service makes regular use of customer surveys, and uses the findings to inform the planning and management of its services. It uses service reviews and comparative benchmarking in developing improvement plans, although momentum and progress with reviews slowed due to the work being carried out around the feasibility of the joint management project with Stirling Council.

Roads and transport

Improving roads and transport links within Clackmannanshire is a priority for the council in promoting growth and regeneration in the area. The condition of roads within Clackmannanshire has been relatively poor, although a reprioritisation of funding to address this over the last year has had a positive impact. The council is improving the way it strategically manages roads and is developing a culture that is more focused on improving performance.

217. As highlighted in Part 1, roads and transport links are key priorities for the council to support economic growth and regeneration. Major transport routes developed through central Scotland in recent decades, for example the M9 and M90 motorways circle the county but have not improved direct connections with Clackmannanshire. Recently the council has begun to see improvements in transport links, with other high-profile developments due for completion in the near future:

- An upgrade of the A907, including bus and cycle improvements, which has improved road access across the county to Stirling.
- Having obtained an act of Parliament to allow the re-opening of the Stirling-Alloa-Kinross railway, this £67 million project due to be completed by summer 2007, will provide Clackmannanshire with passenger rail services to Stirling and Glasgow and open up rail freight opportunities.
- A new £120 million Upper Forth Crossing, scheduled for completion during 2008, to relieve traffic congestion over the Forth on the existing Kinross Bridge.

218. These new developments in transport infrastructure form a critical part of the council's Local Transport Strategy 2006-09. The strategy

provides a clear strategic transport vision for the area, which explicitly aims to contribute to the sustainability of Clackmannanshire and has been well developed within the context of national policy priorities as well as the community plan, the council's corporate priorities and its structure plan and local plan.

219. The Local Transport Strategy recognises the need for ongoing and urgent investment in its roads. In 2004/05, 53.3 per cent of the council's roads network required improvement, well above the national average of 41.9 per cent and ranked the council 26 out of 32 Scottish councils. During 2005, the council's budget working group carried out detailed scrutiny of the service and allocated additional funding for roads maintenance. This has had a positive impact, with the amount of the road network requiring treatment reducing to 47.7 per cent in 2005/06.

220. Roads is one of only two STOs in the council. In 2004/05, the council's external auditor expressed concern that the contractual relationships under which the STOs operate had not been amended since local government reorganisation in 1996, with schedules of rates for work having only been amended for inflation. The auditor concluded that the council should have a mechanism to gain assurance about the efficiency of trading operations.

221. The council believes that by implementing its wide-ranging improvement plan from its 2005 best value review of the 'client' and 'contractor' parts of the roads and transportation function, it has adequately addressed this concern. As this has only recently been implemented there is no clear evidence that the desired level of improvement has been delivered. It is important that the council monitors the impact from its improvement actions effectively to allow it to assess the efficiency of its trading operation. In doing this, the council should

ensure it takes into account what it has learned from the difficulties experienced in managing the SimCo in place for its other trading operation.

222. The best value review also identified the need for the council to improve its strategic management of the service and to develop a culture focused on performance improvement. There is evidence that this is beginning to be addressed through the development of the Local Transport Strategy and the service's balanced scorecard for monitoring performance.

Planning and building control

Planning and building control services have been consistently ranked among the top in Scotland and been assessed as 'excellent' in a Scottish Executive Planning Audit.

223. The performance of the planning and building control services has been consistently good, with SPIs across the services being consistently ranked among the best in Scotland. The high quality of these services has also been confirmed by the most recent Scottish Executive Planning Audit, in which they were described as 'excellent'.

224. There are a number of pressures on the planning service including significant increases in the number of planning applications associated with the physical development taking place in Clackmannanshire and the requirements of the Planning etc. (Scotland) Act 2006. The council's SPI data for 2005/06 shows that although the service's performance in processing planning applications within two months has deteriorated slightly over each of the last three years, from 84.6 to 78.6 per cent, its performance is still the second best of all Scottish councils.

225. Performance of the building control service has shown significant improvement since a service review in November 2004 identified it as 'not providing value for money'. This is demonstrated in its performance across its four SPIs relating to processing building warrants and completion certificates. In all cases the service's performance has improved in the three years up to 2004/05.

Waste management

The council has greatly improved its waste recycling performance. It needs to do more to improve its refuse collection performance.

226. The council has greatly improved recycling through its partnership with Alloa Community Enterprises Ltd (ACE) and through upgrading its recycling facilities. In 2002/03, the council's performance for recycling domestic waste was among the worst in Scotland. By 2004/05, this had improved significantly to be the best of all Scottish councils. In 2005/06, the council improved its performance further and continues to recycle the highest level of domestic waste at 40 per cent, significantly above the national average of 24.7 per cent.

227. The council's approach to recycling fits within the Forth Valley Area Waste Plan, prepared jointly by SEPA, Clackmannanshire, Stirling and Falkirk Councils, and with input from Scottish Enterprise Forth Valley, Scottish Water and the Scottish Waste Awareness Group. In turn, the Forth Valley Area Waste Plan reflects national waste objectives of delivering a major change in waste management to radically increase recycling and reduce dependence on landfill. Similarly, the council has developed its Local Plan to support the policy objectives of the Area Waste Plan. The council can also demonstrate innovation in relation to different aspects of its waste strategy ([Exhibit 16](#)).

228. The council recognises the scope for significantly improving its refuse collection service. This is highlighted in:

- a best value review of the service, which reported in February 2004 that 'much remains to be done to develop a modern service'
- the council receiving an exceptionally high level of complaints about its refuse collection service. In 2004/05, the number of complaints more than trebled from 44 to 147.4 per 1,000 households, compared to a national average of 35.9, although this coincided with the introduction of new bin and collection systems. In 2005/06, despite the number of complaints falling noticeably, the council continues to receive among the highest in Scotland at 93 per 1,000 households
- the cleanliness of the council area in 2005/06 (as assessed against criteria developed by Keep Scotland Beautiful) being ranked poorly compared with other councils, with only three of Scotland's 32 councils having a lower ranking.

Trading Standards

Trading Standards is jointly managed with Stirling Council. Latest data suggests that the economies of scale from this arrangement are beginning to have a positive impact on performance.

229. The council's performance in delivering trading standards in recent years has been poor. For example, between 2003/04 and 2005/06 the service's performance in handling consumer complaints deteriorated from 73.0 per cent to 67.1 per cent and in each of these three years has been below the national average. In order to address this deteriorating performance, the service has been jointly managed with Stirling Council since October

Exhibit 16

Recycling and waste management

The Forthbank Recycling Centre in Alloa has been completely rebuilt and is now a state of the art facility which provides a wide range of recycling and disposal services. The Glenochil Nursery Green Recycling Centre was also redesigned to provide green waste recycling opportunities for everyone in Clackmannanshire.

The restoration of the local Black Devon Landfill Site involves an innovative proposal to form a wetland for nature conservation using the soil extracted to cover the completed area of the landfill. This is a £2 million project in the Council's Capital Programme. The landfill site closed in April 2004 and alternative waste disposal facilities will be contracted with the private sector via a waste transfer operation based at Polmaise and shared with Stirling. The landfill site will remain an aftercare liability for several decades but its restoration will create a significant new wetland and native grassland habitat, bringing immediate biodiversity benefits to the urban heartland of Clackmannanshire. Clackmannanshire is relatively poorly served by open water and wetland habitats and so this new wetland resource, particularly given its proximity to the Firth of Forth Special Protection Area and the nearby Black Devon wetlands and River Black Devon, will create a much needed new local water and wetland habitat of approximately 21 hectares. All this activity combined to achieve an extraordinary increase in the level of recycling in Clackmannanshire from six per cent in 2003/04 to 38 per cent in 2004/05. This puts the area at the forefront of Scottish councils in terms of recycling performance.

In addition, the council has successful joint arrangements with Stirling Council on waste disposal through shared transfer station and composting facility. Also, joint working with Stirling and Falkirk Councils on Strategic Waste Fund/Forth Valley Waste Strategy and the development of voluntary sector involvement in waste recycling with ACE have delivered notable improvements.

Source: Clackmannanshire Council

2005. The council expects to see the economies of scale generated by a larger service, covering both council areas, beginning to deliver improvements during 2006/07. At the time of our audit, the council was reporting some improvement from managing the service jointly with Stirling Council. Improved availability of staff is allowing better targeting of inspections categorised as 'high risk'. The council's own performance data has begun to show improvement in inspecting trading premises. For example, 100 per cent of high-risk inspections were carried out on time during 2005/06, an improvement from 66.7 per cent in the previous year and the first time the council has

completed all on time. Although SPI data covering inspections of both high and medium-risk trading premises still shows performance having deteriorated during 2005/06 from 56.1 to 48.2 per cent, the joint delivery arrangement is allowing better targeting of medium risk premises and the council expects to see an improvement in this indicator for 2006/07. Joint management was also providing better development of the service through learning events and staff involvement in national initiatives.

230. The council acknowledges that it still needs to address some issues if it is to develop joint management of the service further, including decisions

about allocating central support costs and arrangements for reporting of performance.

Environmental health

The council's performance in delivering environmental health services has been relatively poor, although this is influenced by the small scale of the service. The council needs to review the service to address performance weaknesses.

231. The council's performance against relevant SPIs for environmental health is relatively poor:

- Despite an improvement during 2005/06, longer term trend analysis shows its performance in completing food hygiene inspections on time is below the level achieved in 2003/04. In 2005/06, it completed 83 per cent of inspections on time, compared with a national average of 95.7 per cent. This represents one of the lowest levels in Scotland.
- In 2005/06, the council dealt with all noise complaints settled on first contact within one day of receipt. In contrast, it completed only 55.9 per cent of noise complaints needing further action within 14 days, significantly below the national average of 84.6 per cent.

232. The council's performance has been affected by unfilled staff vacancies which have been the result of recruitment difficulties. In addition, performance data for food hygiene inspections can be heavily influenced by the relatively small number of premises involved.

233. Environmental health services are subject to regular scrutiny by the Food Standards Agency. In addition to using these inspections as a tool to improve performance, the service is trying to improve the quality of its services by adopting the Dolphin EFQM model. At the time of our audit the service was awaiting a best value

review, as part of a wider review of regulatory services. The review of environmental health had originally been scheduled for completion by November 2005 but has been subject to delays, mainly due to a lack of available staff resources within the service. The council needs to complete a review of the service in the near future to address the current performance weaknesses.

Part 4. What needs to improve?



Clackmannanshire Council faces a challenging context with limited capacity and a significant improvement agenda to implement. It has established a wide-ranging improvement plan with an ambitious timescale for delivery. Members and officers need to provide stronger leadership in supporting continuous improvement. They need to review political and managerial structures, take a clearer strategic focus with fewer clearer priorities, clarify scrutiny arrangements and make community planning and engagement with local communities more effective. They also need to manage staff better and engage them in developing an improvement culture.

The council needs a better understanding of its capacity to deliver planned improvements. Improving its engagement with staff, communities and partners has the potential to provide additional capacity to assist the council in implementing its plans.

Over recent years the council has been putting in place new systems to support continuous improvement. It can do more to demonstrate its leadership of continuous improvement and to minimise the incidence of poor and deteriorating performance in some service areas in the future.

Developing an improvement culture

234. Continuous improvement in public services and local governance lie at the heart of the Best Value and Community Planning policy framework. Local authorities need to develop an improvement culture across all aspects of their activities and service delivery. Elected members and officers must focus on key policy objectives and the needs of service users and communities,

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.

235. Clackmannanshire has a challenging improvement agenda. It recognises the contextual challenges of the area it serves and has sought to find innovative solutions to address these challenges while protecting and maintaining a distinct and separate identity for the communities it serves.

236. The council's progress has been constrained mainly as a result of its limited capacity, high numbers of priorities and challenging context and lengthy improvement agenda. There are examples where the council has started to implement plans and progress has been slower than planned or curtailed to fit with the resources it has available. These include community planning; the roles and responsibilities of officers and elected members; articulating its vision and cross-cutting themes for the area across the range of the council's activities; improving scrutiny and performance management arrangements; integrating improvement and review activity; and demonstrating the competitiveness of its services.

237. The council's performance varies across its range of services. While the council has demonstrated strong performance against a significant number of SPIs, there are important areas that need improvement, including educational attainment, aspects of housing, respite care, food hygiene and trading standards inspections, cultural and community services, and refuse complaints.

238. The development and embedding of an appropriate improvement culture in the future is heavily dependent on its management arrangements. Since carrying out the audit, the council

has experienced important changes in its management arrangements through the appointment of a new chief executive and council leader and experienced a change in the political balance of the council following the May 2007 elections. These changes present new opportunities to the council in taking its improvement agenda forward.

239. The council has established a Corporate Improvement Plan that sits alongside its corporate priorities and provides the improvement direction for the council. The plan is structured under five improvement themes:

- Better government – leadership and direction.
- Providing service – putting customers first.
- Working with the community and others – maximising capability.
- Being effective – raising standards.
- Supporting staff – valuing, listening and developing.

240. The plan is owned by the ET, with the chief executive and each director having assigned responsibilities for implementing actions identified under each of the five improvement themes. The ET intends to monitor the plan on a quarterly basis and to report progress twice a year to the P&A committee. These arrangements provide a sound framework against which the council can monitor its improvement activity in the future.

241. We have highlighted earlier in our report that the council would benefit from greater prioritisation of its improvement activity. This also applies to the corporate improvement plan, which has 48 high-level improvement actions and ambitious timescales for implementing its planned activities. As such, the council would benefit from reviewing its improvement plan further.

242. The improvement agenda set out on this page identifies a number of high and medium-priority actions designed to focus the council on areas for improvement. They are intended to assist the council in identifying those areas where it should focus its initial effort and investment. This agenda includes some activities not identified by the council in its current corporate improvement plan. It is designed to build on the momentum that has already begun and will provide the basis for review and monitoring by the council's external auditor over the coming three years.

The improvement agenda for Clackmannanshire Council

High priority

- Develop a clearer set of priorities for the council to better direct improvement activity and investment.
- Consistently articulate the vision and improvement themes for the area in key strategic documents and structures.
- Sustain a focus on improving service performance, particularly in key services such as housing management and maintenance, educational attainment and community services.
- Improve the leadership and demonstrable impact of community planning.
- Further develop the effectiveness of performance management arrangements to support effective scrutiny and the achievement of the vision for the area.
- Review the political management structure to ensure it provides for transparent scrutiny of decisions and an effective scrutiny role for the opposition.
- Continue to support and develop elected member training specifically in respect of leadership development and scrutiny.
- Update the scheme of delegation and review the clarity of the roles and responsibilities of elected members and officers.
- Review and prioritise the corporate improvement plan in line with the council's strategic priorities and ensure that timescales are realistic.
- Extend the performance review and development process to include the chief executive.
- Improve the engagement and involvement of staff in the design and implementation of the council's improvement activity.
- Better demonstrate the competitiveness of the council's activities.
- Improve its arrangement for holding to account the full range of arms-length organisations which it funds.

Medium priority

- Continue to develop and improve the approach to capital planning and asset management.
- Develop a corporate approach to workforce planning.
- Monitor the effectiveness of existing community engagement mechanisms to meet the needs of the council and its partners within the community planning framework.
- Develop a more integrated approach to review activity within the council and ensure that identified best value reviews are completed.
- Continue to develop and embed arrangements for managing staff, customer care and procurement.
- Further develop PPR to ensure it provides a balanced account of the council's performance, reported in a variety of accessible formats.
- Continue to embed the council's arrangements in respect of customer care, equal opportunities and sustainable development.

Clackmannanshire Council

If you require this publication in an alternative format and/or language, please contact us to discuss your needs.

You can also download this document at:
www.audit-scotland.gov.uk



Audit Scotland, 110 George Street, Edinburgh EH2 4LH
T: 0845 146 1010 F: 0845 146 1009
www.audit-scotland.gov.uk

ISBN 978 1 905634 72 9

This publication is printed on uncoated paper, made from 100% post-consumer reclaimed material.