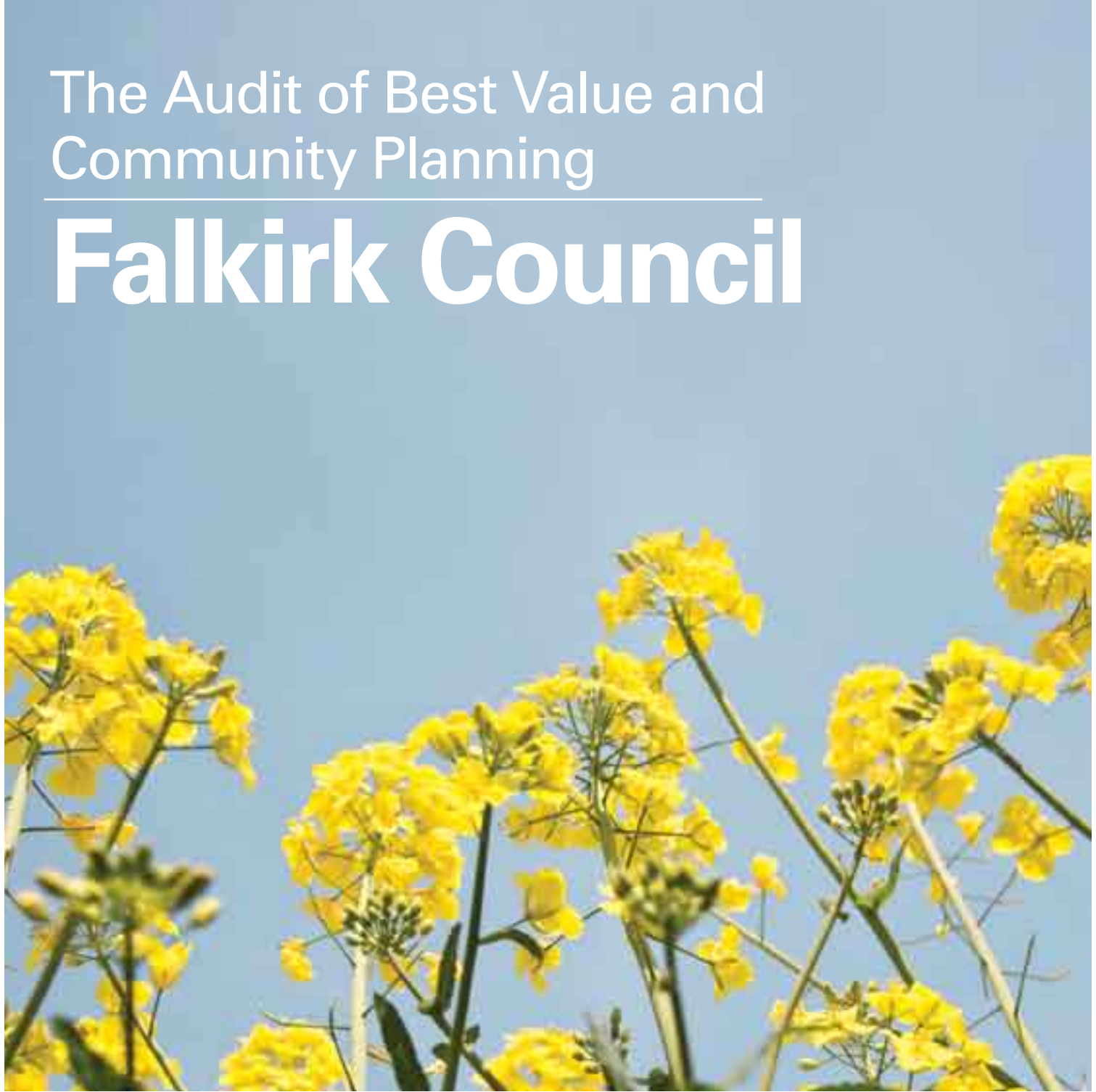


The Audit of Best Value and
Community Planning

Falkirk Council



Prepared for the Accounts Commission
May 2008



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 £16 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 Government and public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.

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The Audit of Best Value



The 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 develop a clear set of priorities that respond to the needs of the community in both the short and longer term
- be organised to deliver these 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 Falkirk Council is meeting its duties under the Local Government in Scotland Act 2003
- agree planned improvements with the council. The council's external auditor will review these 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 inspectorates. These are incorporated into our report.
- We select certain aspects of the council's performance for detailed investigation. A wide range of sources, including the council's own assessment of its performance, reports issues by external audit and inspections, and national Statutory Performance Indicators (SPIs), informs this selection.

The report reflects this selective approach, with detailed commentary in some areas and limited coverage in others. While we have made some comparisons with other councils, our overall approach has focused on performance trends and improvements within Falkirk Council. The report largely reflects the picture available at the time our main audit work was conducted in June, August and September 2007.

We gratefully acknowledge the co-operation, assistance and hospitality provided to the audit team by councillors Linda Gow and David Alexander, the current and former leaders of the council respectively; Mary Pitcaithly, chief executive; Stuart Ritchie, director of Corporate and Commercial Services; Fiona Campbell, head of Policy and Performance Review, and all other elected members and staff involved. We are also grateful to the representatives of community organisations and the council's community partners who agreed to participate in the audit.

Commission findings



1. The Commission accepts this report on the performance of Falkirk 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. Falkirk Council shows good, solid performance with many characteristics of best value, while still having room for improvement in some areas. In particular, there is evidence that the council does well in regard to:

- vision and strategic direction
- community engagement
- customer focus
- partnership working
- performance management
- the delivery of a number of major projects and initiatives contributing to economic development and regeneration.

3. With regard to areas where the council needs to make progress we would highlight the following:

- There is a need to ensure that the clear strategic vision and the culture of performance management, customer focus and community engagement is driven through into service improvement throughout the council.

- It is important that the current high level of senior management vacancies should be addressed as quickly as possible.
- Service performance is mixed. The council is aware of the areas where performance is poorer and needs to take appropriate action to bring about improvements.
- The council should review its approach to scrutiny to ensure that the Best Value and Audit Forum meets in public, in accordance with the principles of accountability and openness.
- Traditional financial planning is sound and the council has a prudent approach to financial management, but more needs to be done to align financial planning to the council's vision and to develop longer-term planning.
- The council's planned review of its commercial services should be accorded a high priority, to ensure that they are competitive.
- Work is needed to ensure that best practice is being delivered in people management and leadership development, with particular attention to areas where absence levels are high.
- Priority should be given to leadership development and training of elected members, in view of the number of new members elected in May 2007.

4. The Commission looks forward to receiving an improvement plan with measurable and achievable outcomes, which will build on the good work being done by the council.

Overall conclusions



Falkirk Council has a clear vision for the area, which is reflected throughout its planning framework. The council has a strong outward focus and works successfully with strategic partners through Community Planning to deliver major projects and initiatives, bringing real benefits to the area and its communities. These have contributed to the economic regeneration of the area.

While the council demonstrates many characteristics of best value, more work is required to embed new strategies and policies in key areas such as asset management, procurement and risk management. The council had been carrying a number of senior management vacancies in the run-up to the May 2007 local government elections, and there is a large proportion of newly elected members. A timely conclusion of the current review of political and managerial structures is imperative to ensure there is sufficient capacity to deliver the council's ambitious programme of continuous improvement.

Service performance is mixed overall, with strengths in education, community learning and development, and criminal justice, but there is a need for improvement in housing and jointly delivered community care services. The council needs to ensure that strong corporate leadership translates into significant service improvements across the organisation.

1. Falkirk has a population of 149,680 and covers an area of 297km². The council has a good understanding of the specific challenges it faces. These include responding to the housing, health and social needs of an increasing population, including migrant workers, continuing the economic regeneration and transformation of its communities, and raising educational attainment among young people.

2. The council has a clear vision and well-embedded corporate planning framework. Leadership, customer focus and equal opportunities are strong. There is scope for improvement in: some key services, the openness and effectiveness of scrutiny, performance management, and in the approach to competitiveness and option appraisal.

3. The council works well with partners and delivers some good joined-up services, with many examples of effective cross-service partnerships. The Community Planning Partnership (CPP) is well established and has strengthened existing working relationships, although there is a need for elected members to become more actively engaged in Community Planning. Positive outcomes are being achieved across a number of areas including migrant workers, community regeneration, community safety and health.

4. Members and officers have forged a strong culture within the council focused on a clear and shared vision for the Falkirk area. This culture is recognised and supported by a motivated workforce. The Corporate Management Team (CMT) has begun to promote a culture of continuous improvement but it needs to drive improvement across all services through more focused corporate action.

5. Following the May 2007 local government elections, the council now operates with a minority Labour administration. Fifty per cent of members are new to the council, which coupled with a high level of senior management vacancies creates a risk to the council's capacity to deliver its ambitious improvement agenda. The council will benefit from reviewing its political structures to ensure that they align with corporate priorities.

6. In recent years, the council has developed a proactive and customer-focused organisational culture that supports continuous improvement. It has successfully delivered a range of significant infrastructure projects

including the Falkirk Stadium, the schools improvement programme and ongoing town centre regeneration, and the My Future's in Falkirk (MFIF) joint economic development strategy provides the focus for the social and economic regeneration.

7. The council continues to have ambitious plans for the future to deliver improvements for its communities. A current example is the HELIX environmental development programme, which was the only successful Scottish bid under the Big Lottery's Living Landmarks Fund (November 2007).

8. Areas for attention include improving sickness absence, embedding new strategies for asset management, procurement and risk management, and developing corporate standards for customer care. Implementing a more consistent approach to best value service reviews and developing the arrangements for longer-term financial planning will enable further improvements.

9. The performance management framework is well-embedded throughout the council. The council recognises that performance information needs to be reported more consistently to the CMT and committees, which will improve the members' ability to carry out their scrutiny role. The Best Value and Audit Forum (BVAFA) acts as the main conduit for the scrutiny of service performance, but it conducts its business in private. This is not in line with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and the council should review its approach so that it can demonstrate the best value principles of accountability and openness.

10. There is good financial stewardship and information and communication technology (ICT) is used effectively to modernise service delivery. The council has developed a positive culture and staff display a strong commitment to delivering high-quality customer services. The council is one of the few to have

implemented the single status agreement, and although this was managed well, it has had a negative impact on staff morale. Sickness absence (excluding teachers) remains consistently poor. The council must take action and learn from other organisations that have successfully tackled this issue.

11. The council has used consultation and community engagement successfully to inform policy developments, decision-making and service delivery. Key improvements for citizens include enhanced access to services through the contact centre and one-stop shops, the publication of *Falkirk Council News*, and innovations in sustainable development. The council needs to implement its community engagement strategy to provide a more consistent approach to engagement.

12. The council takes a rounded view of service performance, balancing SPIs with Key Performance Indicators (KPIs) and Local Performance Indicators (LPIs), which reflect service and corporate priorities, and demonstrate a strong customer focus.

13. The overall trend across SPIs is one of improvement between 2004/05 and 2006/07. Since 2004/05, performance improved by at least five per cent on 17 measures and worsened by at least five per cent on 12 measures: a 1.4 ratio of improvement to decline, which is close to the Scottish average of 1.5. The number of the council's indicators in the top quartile exceeds the Scottish average. The majority of indicators remain in the middle quartiles and there is scope to step up the pace of improvement activity. There is also a need to strike a better balance between the delivery of core services and the focus on significant projects.

14. In the last 12 months, the council has been subject to a number of inspections, which paint a mixed picture of performance. The 2007 Her Majesty's Inspectorate of Education (HMIE) inspection commended performance across a number of areas, including leadership,

commitment to improving the schools estate and consultation with young people. The recently concluded Community Learning and Development follow-up inspection (November 2007) noted 'very good' progress. The January 2008 report by the Social Work Inspection Agency (SWIA) on the multi-agency inspection of older persons services (MAISOP), covering NHS Forth Valley, Falkirk, Stirling and Clackmannanshire Councils, acknowledges positive outcomes for older people and their carers in the Falkirk partnership, but rates overall performance of the Falkirk partnership as mostly 'adequate', and requires improvement action by the council and key partners.

15. The recent report by Communities Scotland (published in February 2008) of the inspection of the council's housing service found scope for improvement throughout the service, particularly within homelessness services where significant weaknesses were identified. This provides a challenging improvement agenda for the council and the emerging improvement plan will require strong support, clear leadership and a focused corporate response from the CMT.

16. The improvement agenda set out in this report identifies the immediate and medium-term priorities for the council. Many of these broad actions are contained within its own Corporate Improvement Plan. The areas for improvement highlighted in this report will help to translate broad actions into tangible objectives. This provides a platform for the council, under its new administration, to sustain the momentum for continuous improvement.

Part 1. Does the council have clear strategic direction?



Falkirk Council is an ambitious organisation with a clear vision for the area, which is shared by elected members, staff and partners. A well-established planning framework supports the council in delivering its priorities.

In recent years, the council has been characterised by strong and stable leadership. Following the May 2007 elections, a minority administration is now in place. Fifty per cent of elected members are new to the council and a number of senior management vacancies exist in key service areas. Taken together, these issues present a challenge for the council's ability to sustain the delivery of its corporate priorities in the medium and long term. In particular, there is a need to strengthen scrutiny by reviewing the BVAF so that the council can demonstrate fully the best value principles of accountability and openness.

The council has successfully used consultation and community engagement activities to involve stakeholders in improving service performance. The council now needs to implement its community engagement strategy to provide a more consistent approach.

The local context

17. Falkirk Council is centrally located between Glasgow and Edinburgh, within easy reach of both cities and enjoys good transport links. Its neighbouring authorities are Stirling, Clackmannanshire, West Lothian and North Lanarkshire. The main centre of population is the town of Falkirk itself, with other larger population settlements at Grangemouth, Bo'ness, and Stenhousemuir. Falkirk ([Exhibit 1](#)) covers an area of 297km², making it the eleventh-smallest local authority in Scotland in terms of area.

Exhibit 1 Map of Falkirk



Source: Falkirk Council

18. Conversely, Falkirk is the eleventh-largest local authority area in Scotland in terms of population. The population is increasing, in contrast with the position in Scotland as a whole. It increased by three per cent between 2001 and 2006, compared with a one per cent increase for Scotland as a whole. Projections from 2006 indicate that the population will continue to increase by a further 8.4 per cent between 2006 and 2034.

19. The council is also experiencing a greater increase in its migrant population than other local authority areas. This is affecting services such as housing, health, education and crime. The council recognises these challenges in its strategic community plan and new corporate plan.

20. House prices have increased rapidly over recent years with an 11 per cent increase in the year to June 2006. Bo'ness is the second most desirable location in Britain for first-time buyers, due to factors such as the ratio of house prices to local earnings, an increase in new-build supply and urban regeneration. The council is making a significant investment in regenerating traditional

town centres, including a £175 million waterfront development in Bo'ness and multimillion pound plans for Stenhousemuir, Grangemouth and Denny. These projects form a major part of the MFiF economic initiative aimed at transforming the area's economy and making it a more desirable place to live.

21. Levels of deprivation are average across the authority, with pockets of higher deprivation in areas such as Dawson, Camelton, Thornhill Road, parts of Grangemouth, Bo'ness and Denny.

22. There is a higher percentage of jobs in manufacturing and construction, and a lower percentage in finance and business in the Falkirk area compared to the Scottish average. The area's major employers include the deep-sea container port and oil refinery at Grangemouth, and companies such as BP, INEOS, Forth Ports, Alexander Dennis, Geest Foods and Telecom Service Centres. Overall, Falkirk's economy is significantly more reliant on large enterprises for employment than Scotland as a whole.

23. The number of jobs in Falkirk has increased by 14 per cent between 1997 and 2005, slightly below the Scottish average, while the working-age employment rate increased by 1.8 per cent from 2005 to 2006 above the Scottish average of 0.8 per cent. In April 2007, the median gross weekly earnings for full-time employees was 2.6 per cent lower than the Scottish average at £429.60.

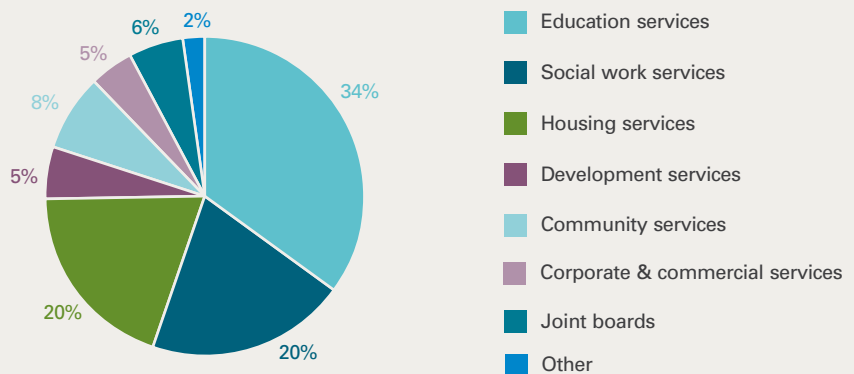
24. The unemployment rate in the area, at 2.5 per cent in January 2008, was marginally below the Scottish average of 2.6 per cent. There are pockets of high unemployment, for example, Inchyra (9.5 per cent in January 2008) and Dawson (7.6 per cent). The council's joint strategy to support young people who are not in education, employment or training (NEET) has been commended for innovation by the Scottish Government. Numbers are now at their lowest for five years and the council ranks tenth out of Scotland's 32 local authorities in terms of meeting NEET targets. There are signs of further improvement; as at May 2007, Falkirk's NEET rate was falling faster than that for Scotland as a whole.

25. The council's gross expenditure in 2006/07 was approximately £403 million (Exhibit 2). Expenditure per head of population was £2,705, some way below the national average of £3,151. The council's band D council tax for 2006/07 was £1,045, an increase of 4.6 per cent on 2005/06, below the national average of £1,129.

26. An SNP/Independent administration led the council until the May 2007 elections, which resulted in 14 Labour members, 13 SNP, two Conservative, two Independent and one Independent non-aligned councillor. This produced two groupings: 16 Labour/Independent members and 16 SNP/non-aligned Independent/Conservative members. The outcome was eventually decided on the cut of cards as required by Standing Orders; Labour won and now lead the administration as a Labour/Conservative/Independent coalition.

Exhibit 2

The council spent a total of £403 million on providing services in 2006/07



Source: Falkirk Council audited accounts 2006/07

Leadership and culture

The council has been characterised by strong political and managerial leadership. Following the May 2007 elections, a minority administration leads the council and there is a large proportion of new members. Together, these issues present a challenge in developing effective political leadership and delivering new corporate priorities. To support this, the council must continue to invest in the leadership development and training needs of members.

27. In recent years, members and officers have had good relationships and provided strong leadership for the council. Convenors of scrutiny committees liaise directly with the officers relevant to their portfolios. These effective relationships have helped deliver tangible outcomes for citizens including the MFIF economic development strategy, Falkirk Stadium and town centre regeneration. The strong working relationship between the previous leader of the council and the chief executive has been an integral part of this.

28. Since the elections in May 2007, 50 per cent of members are new to the council. This has resulted in a settling-in period for new and

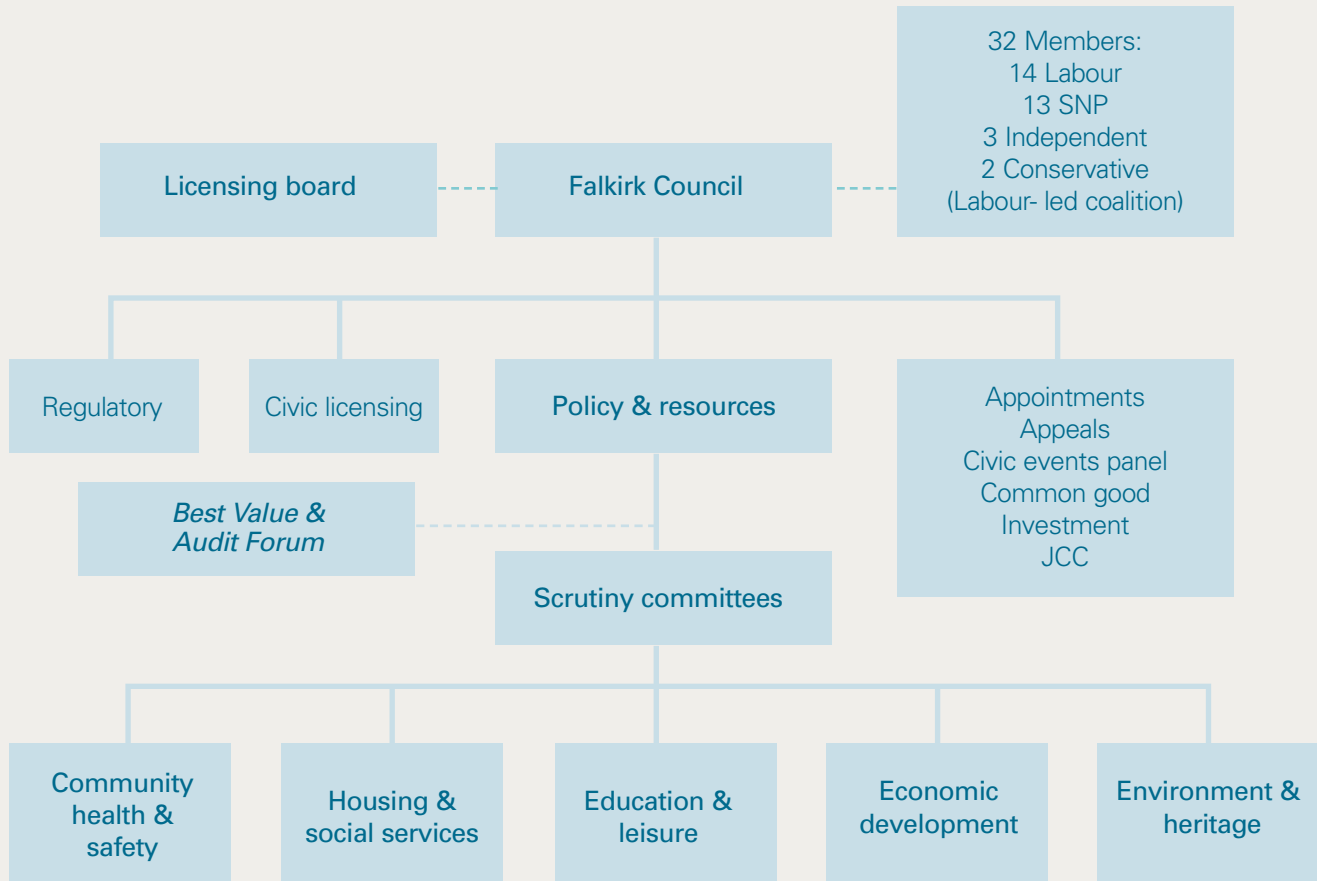
experienced members and the loss of the experience of members who have retired. This poses a challenge for the leadership of the new administration in forging constructive and cohesive political relationships as it defines its new corporate priorities. The current leader is an experienced member and early indications suggest that a positive working relationship with the chief executive will be maintained.

29. In recent years, the style of politics has been forceful, characterised by robust exchange at committee. This has not prevented open debate or hindered decision-making. For example, although political parties agreed on the need to embark on the schools improvement programme, they disagreed on the most appropriate approach; in spite of this the programme was delivered successfully. There is a need for members to become more actively engaged in the CPP. Although the leader of the council chairs the Leadership Group of the Partnership, our survey of Community Planning partners found that fewer than 50 per cent of respondents agreed that members provide effective leadership in the partnership.

30. The council must ensure that leadership development continues to be a priority. A comprehensive induction programme for members has provided a good start and has

Exhibit 3

Falkirk Council – committee structure (post-May 2007 election)



Source: Falkirk Council, 2007

prompted positive feedback. The programme is well structured and affords members the opportunity to complete a personalised training needs analysis (TNA). However, at the time of audit following the local government elections in May 2007, the focus of induction concentrated heavily on the provision of information; as opposed to supporting members to perform their full role as described in Standing Orders.

31. In the early months of the new administration, many new members were not yet fully confident in all aspects of their roles. The council needs to engage all members in identifying individual development aspirations and encourage more active participation in training to develop skills and knowledge, for

instance, in aspects of scrutiny. This will also enable the council to utilise fully the breadth of new skills and experiences, which newly elected members bring to their role.

32. In addition, a joint approach to leadership development involving both senior officers and members would enhance joint working. The council recognises the importance of developing the leadership capacity of managers and has established a successful Institute of Leadership and Management (ILM) accredited course ([Exhibit 10, page 22](#)). This model could be adapted for members.

Political systems and structures

The council's committee systems and structures have remained unchanged for eight years. The council needs to ensure that structures are fit for purpose and meet the requirements of the Local Government (Scotland) Act 2003 and the council's own emerging corporate priorities and aspirations for corporate improvement. In December 2007, the council decided to review these structures.

33. [Exhibit 3](#) illustrates the key elements of Falkirk's committee structure, which have been in place since 1999. The structure is supplemented by the BVAf, established in 2003.

34. The committee structures are not fully aligned with the council’s key corporate or Community Planning priorities. Scrutiny committees remit are a mix of both thematic for example, community health & safety, and largely functional for instance, housing and social work. Some services are subject to scrutiny by a number of different committees, while other large services such as education report mainly to one committee. The variability of committee workloads and agendas associated with these arrangements do not facilitate members’ role in holding services to account effectively. In addition, other structures such as area forums are a legacy of past arrangements and their future role and remit would benefit from review; there is an opportunity to review these in the context of Community Planning.

35. The current committee structure has been in place for eight years without a comprehensive formal review. The period has seen significant changes to the council’s internal and external operating environment including the development of Community Planning, the introduction of political structures such as cabinet arrangements, and the introduction of multi-member

wards. Following changes brought about by the elections, a majority of members felt that it would be advisable to allow a period of consolidation so they could familiarise themselves with new roles, portfolios and relationships. With this period now coming to an end, the timing is appropriate for formal review and the council has indicated in its corporate improvement plan that it will embark on such a review. This review needs to be taken forward as a priority.

36. This review should offer a number of benefits, such as ensuring that democratic structures and systems are transparent, fully aligned with the council’s priorities and support continuous improvement. It would also provide an opportunity for the council to position itself to meet the significant challenges and developments facing local government such as single outcome agreements (SOAs).

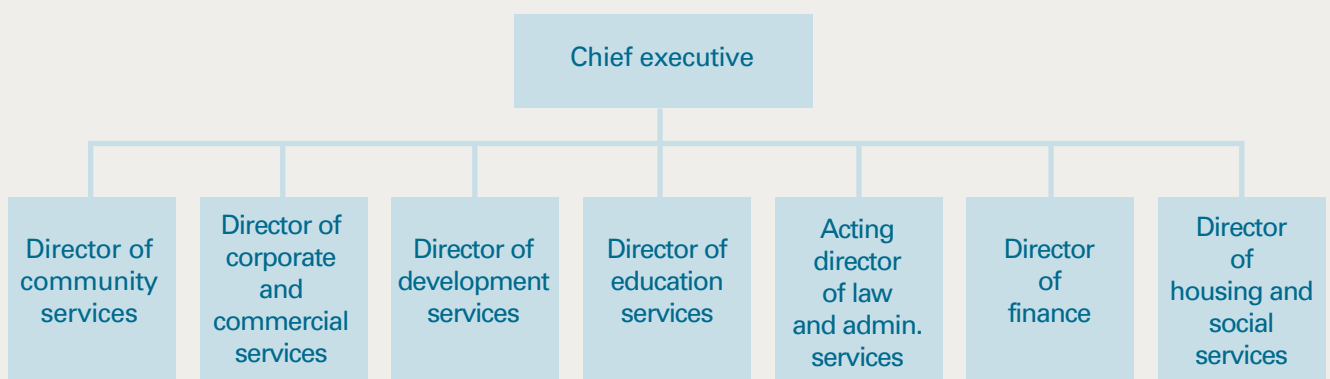
Management systems and structures

The CMT has started to promote a culture of continuous improvement, but it now needs to focus on targeted service improvement through more directed corporate action.

37. The council is structured around seven separate service groupings (Exhibit 4). This structure has been in place since 2000, but the service groupings do not directly mirror political structures. This ensures a high level of scrutiny of cross-cutting issues but it also means that some services are required to report to almost all scrutiny committees. There is an opportunity to consider how best to align management structures and systems with corporate priorities alongside the planned review of political structures.

38. The CMT comprises seven service directors and is chaired by the chief executive. It meets fortnightly, and provides a forum for discussing progress on the council’s corporate improvement priorities, service planning and performance through the Quarterly Performance Reports (QPRs), as well as major initiatives and developments. CMT meetings are supplemented by one-to-one meetings between the chief executive and each director to consider service performance issues in detail. CMT decisions are communicated effectively to Departmental Management Teams (DMTs) and there is evidence that

Exhibit 4
Council service structure



Source: Falkirk Council, 2007

CMT decisions are tracked through to DMTs and beyond. Most DMTs meet monthly and play a crucial role in ensuring service objectives address corporate priorities. Continuous improvement and tackling issues of service performance forms a regular focus of many of these meetings.

39. Responsibility for strategy development and delivery is devolved directly to services. Evidence from staff focus groups demonstrates that this has contributed to a greater sense of ownership amongst staff in driving forward service improvements. An example of this approach is the service sustainability teams who coordinate sustainable development action within services.

40. In recent years, the CMT has begun to promote a culture of continuous improvement. It now needs to develop a more targeted corporate approach to tackle areas for improvement within services. For example, there will be an extensive improvement plan arising from the recent Communities Scotland inspection report. Successful delivery will depend on strategic leadership, management capacity and effective joint working. The CMT has a central role to play in achieving this.

41. In addition, the council has been carrying a number of vacancies at a senior level in recent months putting pressure on management capacity. Interim arrangements have been in place pending the council's review of organisational structure following the local government elections. The council is addressing this as a priority and an early conclusion will ensure that the necessary capacity is in place to deliver service improvements.

Exhibit 5

Strategic planning and management system (SPMS)



Source: Falkirk Council, 2007

Setting a clear direction

Vision

The council has established a long-term vision for the Falkirk area which is shared and well understood by elected members, partners and employees.

42. In its vision for Falkirk, the council wishes to see:

- the legacy of the past and the potential for the future protected
- the area at the centre of Scotland
- in the future, the area as one of the most culturally diverse and distinct in Scotland
- investment in jobs, learning, homes and leisure for all
- the area as 'the place to be' in the third millennium.

43. Staff and members have a good understanding of the council's overarching values and vision, which

reflect the area's historical context and are fundamental to the council's drive for improvement. The vision was developed in partnership with a range of representatives from communities and partner organisations such as NHS Forth Valley, Central Scotland Police, Scottish Enterprise Forth Valley and voluntary organisations.

Planning framework

The council has a well-embedded planning framework. Clear priorities have been set within both the community and the corporate plan and these are subject to regular review and monitoring. All services produce clear service performance plans which have adopted a consistent format and show explicitly how services contribute to corporate priorities.

44. Falkirk Council has developed its own Strategic Planning and Management System (SPMS) as the overarching framework to link the strategic priorities and key service delivery objectives to actions. This ensures that the council's goals

and values underpin the full range of strategic planning documents – the strategic community plan, the corporate plan and each individual service's performance plan. It also ensures that the same priorities are addressed at all levels and through joint working.

45. The SPMS takes the form of a strategic pyramid (Exhibit 5). The strategic community plan provides the vision for the Falkirk area, while the council's corporate plan, policies and strategies and service plans, set the agenda. Monitoring and review is an intrinsic part of process and through the CMT, DMT and under the auspices of the BVAF, the council regularly reviews its achievements. This review is undertaken at three levels:

- achievements against the corporate plan
- development and implementation of policies and strategies
- implementation of service plans and capital and revenue budgets.

Community plan

46. The second Falkirk Community Plan 2005-10 sets out the priorities for achieving the vision for the Falkirk area under six key themes:

- improving the performance of the local economy and tourism
- enhancing lifelong learning and opportunity
- creating sustainable local environment and improving transport
- regenerating communities
- enabling citizens to live safely
- improving health and well-being.

47. Although the community plan spans the period 2005-10, the CPP plans to refresh the plan in parallel with the production of the council's

new corporate plan. This approach provides a platform for a more integrated planning framework. The CPP is discussed further in Part 2.

Corporate planning

48. The corporate plan for 2004-07 sets the key goals and priorities for the council until 2007 and explains how its performance against the priorities is measured. The goals and priorities align with the vision and themes contained in the strategic community plan. Both plans reflect the goals of the council, all of which cut across a variety of services:

- increase jobs, income and enterprise for all citizens
- enable citizens to live healthily and safely
- tackle disadvantage and discrimination in all its forms
- create and sustain an environment in which people want to live, work and visit
- stimulate working partnership amongst agencies, organisations, citizens and communities.

49. The corporate plan, and accompanying strategies and service plans set a clear agenda for the council. The council is in the process of developing a new corporate plan for 2008-10, which will reflect its longer-term direction.

Service planning

50. Service planning is well-embedded and is used routinely as a management tool within DMTs to plan and deliver services. Each service produces its own three-year service performance plan, which sets out how its service aligns with the council's corporate priorities. To meet the council's requirements under the SPMS, each plan contains the following information:

- service profile and purpose

- context and environment in which the service is working
- review of previous plans
- key management and service objectives and action plans
- resources and performance information.

51. Progress against the objectives of the service plans is reviewed within the context of the SPMS, and is monitored by the BVAF and the CMT and through one-to-one meetings between the chief executive and directors. More needs to be done to improve the integration of financial and service planning; this is discussed further in Part 2.

Openness and accountability

The council generally conducts its business in an open manner. However, the BVAF conducts its business in private, contrary to good practice guidance.

52. The council generally conducts its business in an open manner. Committee debates and decisions on major projects, initiatives and investments such as the schools improvement programme, development of Falkirk Stadium and the town centre regeneration are clearly documented and recorded.

53. The Scheme of Delegation and Standing Orders provide for the use of a range of mechanisms, such as member/officer forums, to allow for wider member engagement in policy development. Scrutiny committees and Policy and Resources Committee have explicit powers to establish such forums to explore issues and report to full council. A recent example of this is a member/officer forum that considered future options for political structures prior to the May elections, although no decisions on structures were made at that time.

54. The BVAF acts as the main mechanism for scrutinising the

council's performance, in addition to considering internal and external audit reports. It takes the lead role in developing and scrutinising best value performance, including service reviews, reviewing Annual Service Plans and QPRs. It is chaired by the leader of the council and comprises the leaders of all political groups, as well as the relevant convenors and opposition spokespeople for specific items of business. All members are entitled to attend BVAF meetings to observe proceedings. BVAF itself has no decision-making powers and refers its recommendations to the Policy and Resources Committee, a formal committee of the council and thus a public forum, for ratification and decision-making.

55. The forum conducts its business in private. The council's view, over successive administrations, is that this allows for more open, constructive discussion and less polarised challenge. This is not, however, in line with good practice guidance for audit committees, set out by CIPFA in *Audit Committee Principles in Local Authorities in Scotland*. The 2006/07 annual report to members and the Controller of Audit notes this concern. The ongoing review of political and decision-making structures provides an opportunity to reconsider the role and status of the BVAF.

Public performance reporting

The council has recently made good progress in developing public performance reporting. Public feedback suggests that the council's external communications are well regarded and widely read.

56. Public feedback indicates that external communications are generally well-regarded. *Falkirk Council News* is respected, trusted within the community and provides a balanced version of the council's performance. In the 2006 Customer Survey, 77 per cent of residents rated the *Falkirk Council News* as useful in terms of obtaining information about the council. There have also been recent improvements

to the council's website. The Performance Zone section provides a useful and up-to-date summary picture of service performance. Committee papers are available online in advance of meetings.

57. The planned purchase of an electronic performance management information system and the introduction of refinements to the system of QPRs – both imminent, will contribute to further improvements in both external and internal performance reporting.

Consultation and community engagement

The council undertakes a wide variety of consultation and engagement activities but their effectiveness is limited by the lack of a strategic and coordinated approach.

58. The council has put in place a number of mechanisms to engage its customers, communities and businesses in its work. Every two years, the council carries out a major customer survey. The 2006 survey assessed residents' attitudes across a range of issues such as the quality of life in Falkirk, perceptions of safety and crime, experience of accessing services and provision of information about the council. Eighty-one per cent of respondents were satisfied with Falkirk as a place to live and 72 per cent felt well informed about the work of the council. The findings of this survey are reported to committees and the public. Through this survey, the council has gained a good understanding of citizens' views and responds positively. For example, in 2005, it opened a contact centre in response to customer preferences for contacting the council by telephone.

59. Consultation plays an important part in service design and delivery within local communities. Changes have included the re-siting of the Bo'ness library and the strong emphasis on community usage in the design of the new schools. Much of this work is driven through the Community Planning arrangements.

Area forums are starting to represent community views on local issues and drive the development of local community plans. Membership includes local residents, elected members, voluntary groups and representatives of the CPP.

60. The council has developed specific and targeted approaches for hard-to-reach groups such as black minority and ethnic groups, migrant workers and young people ([Exhibit 6](#)).

61. Engagement with local business has been a key feature of the work of the council in recent years, which is particularly important given the backdrop of the council's ambitious regeneration programme for the area. The Falkirk Business Panel was established to provide a valuable interface and discussion forum between local businesses, the council and partner organisations such as Scottish Enterprise Forth Valley. It also acts as a mechanism for adhoc consultation exercises on issues such as town centre regeneration. During 2006/07, membership of the panel increased by 16 per cent from 614 to 712. The council also organised 12 business panel events such as Breakfast Briefings. Feedback from those attending these events was very positive with 93 per cent of businesses rating them as either 'good' or 'excellent'.

62. There is scope to improve this community engagement by strengthening its strategic coordination. The council has yet to approve a community engagement strategy and there is no formal coordinated programme of corporate consultation. There are also no standing mechanisms such as a Citizens' Panel, which could be used by services to elicit systematic feedback.

63. Developing a more strategic approach offers a number of potential benefits. Activities can be undertaken in a more coordinated manner, best practice can be shared and a platform is available for consulting in strategic or cross-cutting areas, such as equalities, in a more systematic manner.

Exhibit 6

Consultation with young people

In 2005, a survey was carried out to understand what young people (aged 10-24) thought about the area and how it could be improved. Three thousand questionnaires were distributed across schools, to Forth Valley College, at Community Education activities and to Modern Apprentices and via the council website. A total of 1,970 (66 per cent) surveys were completed. The survey results provided the council with a platform of knowledge and understanding about how young people feel about their area, interests and what they do.

The survey identified that, broadly speaking, young people feel good about their area; that it is a good place to grow up (60 per cent), go to school in (66 per cent) and that it is changing for the better (64 per cent). However, the survey highlighted a number of areas for improvement; for example, young people did not always know what employment or training opportunities were available to them within the area. The council is acting on such information, and recently developed a brochure entitled *Job Opportunities and where you can get information and help*, which was distributed to schools within the area.

More widely, the results from this consultation process are informing the development of the young person's strategy for the Falkirk area, which is also drawing on a wider range of material through Youth Link Scotland and information from the integrated children's services plan.

Source: Audit Scotland, 2007

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



The council has well-developed arrangements for managing Community Planning and joint working, staff, ICT, equalities, and sustainable development. Commitment to continuous improvement throughout the council has led to tangible service improvements including online purchasing, increased waste recycling and enhanced access to customer services. These arrangements provide a sound basis from which to deliver and improve its services in the future.

More work is required to embed a range of recently developed strategies including asset management, procurement and risk management. Greater systematic monitoring of the service review programme is needed. Sickness absence remains a key area for attention by the council.

Working with partners

CPP

The council has put in place an effective structure for Community Planning. It is working well with partners to address priorities through the themed implementation groups and some tangible outcomes are being achieved. The implementation of the performance management framework will enhance the existing arrangements.

64. Community Planning in Falkirk is based around six key themes:

- improving the performance of the local economy and tourism
- enhancing lifelong learning and opportunity
- creating sustainable local environment and improving transport
- regenerating communities

- enabling citizens to live safely
- improving health and well-being.

65. To translate these themes into practical action, the council has put in place a detailed Community Planning structure ([Exhibit 7, page 20](#)).

66. The three-tier structure ensures a holistic and joined-up approach to Community Planning. The themed implementation groups are starting to deliver real change on the ground by providing creative solutions to the strategic challenges set by the leadership and management group ([Exhibit 8, page 21](#)). The introduction of cross-cutting themes has allowed the development of solutions to issues that involve a number of partners such as migrant workers and community regeneration.

67. Partners are broadly positive about the structures and the extent to which they provide an effective framework to support delivery of the objectives of the strategic community plan. Specifically, our survey of 25 CPPs found that:

- 20 respondents believed the council leads community planning effectively
- 23 identified that joint working between the council and their organisation is significantly influenced by the Community Planning process
- 21 confirmed that the broad variety of partner interests is accurately reflected in the partnership's plans.

68. When assessed against Audit Scotland's Community Planning evaluation framework (*Community planning: an initial review*, June 2006), Falkirk CPP is performing well in leadership, sharing information, planning and implementing priorities and actions and resources. It is building its effectiveness in the remaining areas of community engagement and performance management and reporting.

69. The CPP, led by the council, is planning improvements in these areas. The recently implemented Performance Management Framework will provide the basis for the implementation groups to report progress and performance on priorities. This is an important development, as the leadership group currently cannot evidence the performance of the partnership against the strategic community plan. The new framework will address this and provide a clear foundation to undertake the annual review of CPP. The adoption of the council's Community Engagement Strategy by the partnership would ensure a more strategic and coordinated approach to community engagement.

Joint working

The council has used joint working effectively to deliver service improvements and support regeneration of the area.

70. Joint working takes place within the council, with external partners and through statutory partnerships. For example, a cross-service team from community services, education and corporate and commercial services undertook the development and execution of the young person's survey ([Exhibit 6, page 17](#)). The recent Inspection of Education Authorities (INEA) report by HIME (July 2007) identifies the leadership and increasingly effective partnership of the directors of education and community services as key strengths.

71. Externally, the council and its partners have a long-established record of working in partnership to regenerate the area and improve services, for example in community safety, and reducing the number of young people classified as NEET. The HELIX is a good example of a partnership working to make environmental changes ([Exhibit 9, page 21](#)).

Exhibit 7

Strategic community plan structure

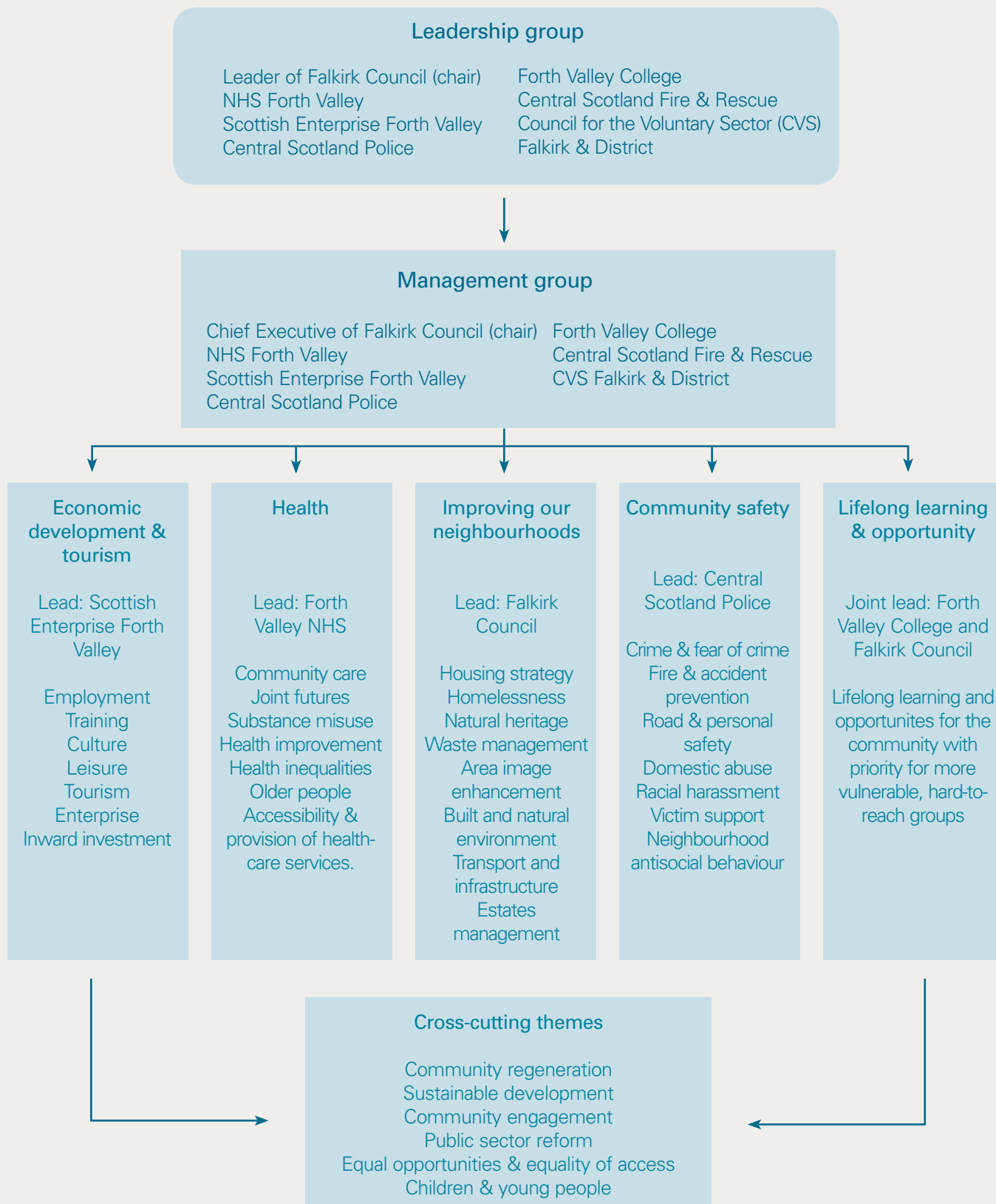


Exhibit 8

Examples of impacts from Themed Implementation Groups

Themed Implementation Group	Examples of key achievements
Economic development and tourism	<ul style="list-style-type: none"> • Successful delivery of projects such as Falkirk Gateway, through 'My Futures in Falkirk' (MFIF) a partnership between Scottish Enterprise Forth Valley, BP Grangemouth and Falkirk Council.
Lifelong learning and opportunity	<ul style="list-style-type: none"> • Development of learning-based support for migrant workers and their families, including publication of a booklet outlining the different services available and how to access them. • Successful implementation of NEET Strategy. NEET levels are currently at their lowest level for five years.
Community safety	<ul style="list-style-type: none"> • Development of 'Who Cares' Initiative – an anti-racism project which has been delivered across all secondary schools in Falkirk. In the six months following completion of the scheme there was a 20% reduction in the number of racial incidents by under 16s. • Establishment of Alcohol Problem-Solving Partnership, to address issues associated with underage drinking.
Health	<ul style="list-style-type: none"> • Successful implementation of 'Active Forth Scheme', a physical activity programme to address health inequalities across Forth Valley. In the last four years it has taken more than 500 referrals from local GPs and health professionals. The scheme has received positive feedback from users.

Source: Audit Scotland, 2007

Exhibit 9

HELIX Environmental Project

The HELIX is an innovative project which has been driven by a partnership of Falkirk Council, British Waterways Scotland and Central Scotland Forest Trust. The aim is to transform a 300-hectare landscape between Falkirk and Grangemouth into a thriving environmental community.

The HELIX is one of only three UK projects to have recently secured funding from the Big Lottery Fund's Living Landmarks programme. It was the only Scottish proposal awarded funding, receiving a £25 million grant. The HELIX also forms a key project in the MFIF economic regeneration initiative aiming to create a community-based resource that will bring environmental and economic benefits to the Falkirk Council area.

The project has developed over the last two years through significant contributions from community councils, the voluntary sector, landowners, small businesses and Community Planning partner agencies. In order to deliver the HELIX, a Trust will be established which will include representatives from the partnership and community representatives.

Once completed, the HELIX will offer:

- 34 kilometres of paths and cycle networks
- 750,000 new trees
- five new biodiversity nature parks
- new employment opportunities through community enterprise businesses
- a 1.85km canal link linking Grangemouth with Scotland's extensive canal network.

Work is expected to start on the HELIX in 2008 and will progress over three distinct phases, spanning a ten-year period and beyond.

Source: Audit Scotland, 2007

Managing resources

Managing people

The council undertakes a range of activities that recognise the contribution employees make to the organisation. There are high levels of employee satisfaction with training and development, flexible working and internal consultation and communication mechanisms. The council has recently put in place a programme to support employees facing changes arising from the settlement of the single status agreement. High levels of sickness absence require urgent attention.

72. Falkirk Council employed 6,609 full-time equivalent (FTE) staff at September 2007 or 44.2 FTE staff per 1,000 head of population, very close to the average for all Scottish councils (44.7).

73. The council has recently adopted a Human Resources and Workforce Strategy 2007-10 (October 2007). The strategy articulates a clear human resources (HR) vision for the council and makes explicit linkages with current corporate priorities, through its contribution to the strategic planning and management system (SPMS) framework. Achievements and future commitments are listed under each priority area. This provides a clear framework for delivering priorities but it is too early to judge its impact.

74. The council has implemented the single status agreement but the 2007 Health Needs Assessment (HNA) survey and staff focus groups suggested that the agreement has affected staff morale. The survey found that 59 per cent of respondents to the staff survey thought that staff satisfaction had not improved over the last 12 months. The same proportion of respondents, however, would recommend the council as a good place to work.

75. The council recognises the importance of the single status agreement and has begun a consultation programme with groups

Exhibit 10

Developing Leadership – achieving outcomes for the council and the individual from the ILM course

Falkirk Council has been an accredited centre with the ILM for nine years. During this period, a total of 560 employees have completed the programme, with 130 employees participating in the most recent three rounds of ILM courses. The purpose of the programme is to support and encourage professional development, in line with the Scottish Government's Lifelong Learning Strategy.

In addition to supporting employees in their continuous development, the council also benefits from the projects undertaken by participants. Examples include a guide to education services for parents and carers, which has seen benefits in saving both customer and staff time. The council recognises the achievements employees have made through the ILM programme at an annual award ceremony. 'Project of the Year' and 'Learner of the Year' awards are presented to participants demonstrating excellence.

From October 2007, the ILM programme will offer the ILM Team Member award, which will mean that there is ILM accredited training available to every employee of the council.

Source: Audit Scotland, 2007

of staff facing changes following the implementation of the agreement. A member/officer Single Status Change Implementation Group was established in September 2007, including the chief executive, leader of the council (group chairperson), all group leaders, trade union representatives and senior management. Its remit includes the exploration of issues such as job redesign, ring-fenced recruitment, structure redesign and offers of voluntary severance. In addition and separate from the agreement, the council has implemented a range of flexible working practices including flexitime and compressed hours.

76. The council recognises the contribution made by its employees. Examples of this include:

- a corporate policy on the roll-out of Investors in People (IiP) across services (this has already been achieved in corporate services)
- achieving the Scotland's Health at Work (SHAW) Gold Award for health at work

- establishing 'Celebrating Success' awards, which are a popular way of recognising the achievement of colleagues.

77. Staff focus groups confirmed that there are a range of effective communication mechanisms, including team briefings, structured one-to-one meetings between line managers and staff, the council's newsletter *Speakeasy* and the intranet. The HNA survey also found improving satisfaction with internal communications. Seventy per cent of respondents feel that they receive sufficient information about the work of the council.

78. The council has a corporate training and development policy, which is supported by investment at a corporate level and within departments. All departments have a dedicated budget head of more than one per cent of the total departmental budget for training and development activities. The council is also investing in leadership development ([Exhibit 10](#)).

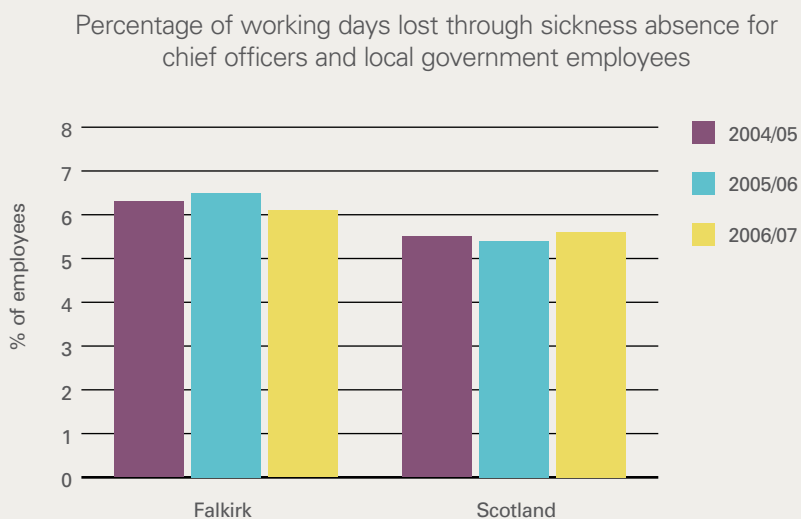
79. A TNA and one-to-one review processes are the main mechanisms to ensure that individual employees' training needs are identified and addressed. Responsibility for this is devolved to services, which aims to ensure alignment between individual training needs and overall service planning needs. The 2007 HNA survey indicates that 71 per cent of staff feel that their training needs are being met, and 62 per cent have met with their manager to review training needs. At present, HR does not centrally collate information on completed TNAs, and the council therefore can neither demonstrate value for money from its investment in training nor monitor equity of access across service areas and locations to training and development. There are, however, a range of mechanisms in place to evaluate the operational impact of training, including questionnaires for managers concerning improvement in employee performance and focus groups.

80. Future plans for the TNA and one-to-one processes focus around fulfilling the specific requirements for the IIP, which the council hopes to achieve by December 2008. The development of the Achievement and Personal Development Scheme (APD) will result in a Personal Development Plan (PDP) for each employee, containing details of their business objectives, personal development objectives and training needs. Currently, the council's electronic personnel system, Resourcelink, is being adapted to collate all TNA data centrally.

81. The council needs to reduce sickness absence, particularly among craft employees. Performance in this area has been consistently poor and is well below the Scottish average (Exhibit 11). By sharp contrast, the level of absence amongst teachers is the lowest in Scotland at 2.6 per cent (an improvement of 0.7 per cent on 2005/06).

Exhibit 11

Sickness absence trends in Falkirk Council



Source: Accounts Commission SPIs 2004/05 to 2006/07

82. In late 2005, the council undertook a review of its attendance policies which resulted in a range of policy improvements. These included better training and procedural information for line managers, a review of the occupational health provider and a nurse contact centre pilot, which ran from October 2006 to March 2007 in three services and reduced absence by 8.46 per cent. However, the recurrent annual costs of this initiative were estimated at £240,000 per annum and the council decided not to proceed.

83. Given these persistently high absence levels, the council needs to consider a range of options to address the problem. In addition to existing plans, measures may include presenting more detailed information to elected members to quantify the cost of lost days, exploring the potential of spend-to-save initiatives with elected members and identifying good practice from the council's own performance in managing absence among teaching staff.

Managing finance

The council demonstrates good financial stewardship but it needs to implement its plans to improve the alignment of corporate and financial planning. There is also scope to improve arrangements for longer-term financial planning.

84. Although there are some elements of longer-term financial planning in place, the council does not have a medium to long-term financial strategy that models the effects of spending decisions, long-term demographic changes, borrowing levels, etc. The council decided that this was of limited value given the uncertainty over future funding settlements, but there is a risk that this will limit its ability to achieve its objectives beyond the three-year budgeting horizon.

85. The council has a robust framework for financial monitoring and review. Existing budgetary control methods are sound and regular reports are submitted to members for review through the BVAF and Policy and Resources Committee. There have been no significant overspends in recent years. Further evidence of good financial stewardship comes from the Audit Scotland report *Following the Public Pound* (2006), which assessed each council's performance against the statutory code of guidance for funding external bodies. Falkirk demonstrated 'high performance' overall against the code, and had a single process for funding applications from external parties.

86. The council has relatively high levels of reserves in comparison to other Scottish local authorities. As at March 2007, the council held cash-backed reserves and funds of £54.31 million including a general fund balance of £32.4 million. There are clear plans in place to use this funding, to support a range of corporate priorities. Some £25 million of the general fund has been earmarked for specific purposes (including £7 million as a contribution to funding a

project to deliver four new secondary schools, £7.9 million to meet housing revenue account costs in future years and £5.2 million for devolved school management) leaving a non-earmarked balance of £7.4 million. This is in line with the council's reserve strategy.

87. Three-year budgets are in place within the council covering the period 2008/09 to 2010/2011. The process for budget setting is a step up from incremental budgeting in that there is consideration of the council's priorities and available resources in determining budgets. However, the council cannot yet demonstrate that financial resources are fully aligned to the objectives and priorities set out in the corporate plan and the various corresponding service performance plans.

88. The council has recently improved the links between corporate, service and financial plans. This involves changes to the timeframe to allow alignment of plans and budgets and changes to the 'resourcing' section of service plans to include issues such as service delivery changes and capital investment decisions. The council proposes to introduce these changes into the 2008/09 planning process.

89. Capital planning arrangements are well established. Capital investment plans are prepared on a rolling three-year basis and are being developed in accordance with the prudential code. An allowance is built into the capital-planning programme for slippage.

90. The council's first Efficiency Statement covering 2006/07 shows efficiency gains of £4.9 million. The statement records 19 specific savings achieved under the six themes of procurement, managing absence, asset management, shared services, streamlining bureaucracy and other. However, the Report to Members and the Controller of Audit on the 2006/07 Audit, commented on the council's capacity to quantify specific savings systematically: 'in line with most other councils, the council does not have an effective system in place to evidence

that efficiency savings resulted in there being either no loss of service for less resources or improvements to the service for the same resources.'

Managing risk

The council needs to implement an effective risk management framework.

91. The council's approach to risk management includes the establishment of a corporate risk management group, a corporate risk register and service-based risk management action plans.

92. A 2007 internal audit report concluded that key elements of an overarching risk management framework were not in place or require updating. These include:

- clarifying the roles and responsibilities of the risk management stakeholders
- reviewing the risk management policy and strategy
- reviewing the role of the Corporate Risk Management Group
- ensuring that risk management is part of the business planning process and that there is a clear link to the strategic planning process.

93. The report includes an action plan, in which the council has agreed the steps needed to address the weaknesses identified. As part of this improvement process, CMT has agreed the appointment of a corporate risk manager to coordinate risk management across the council. Furthermore, the council recognises it needs to extend risk management to Community Planning and together with its community planning partners, is actively developing a risk management framework for the partnership.

Procurement

In recent years the council has made good progress in its approach to procurement through enhancing contract compliance, partnership working and generating efficiency savings.

94. The recent review of procurement by internal audit identified that good progress has been made over the last three years. It concluded that substantial assurance could be provided in five out of six key areas covered, including strategies, policies and procedures; overall control framework; contract management arrangements; liaison; and joint working and use of purchasing cards. In the remaining area, governance arrangements, only limited assurance was evidenced, which the council is now addressing.

95. Set against this backdrop, and to ensure compliance with the standards outlined in the McClelland Report, the council has put in place a new procurement strategy for 2008-10. Enhanced governance arrangements include the establishment of a Procurement Network, directed by a Procurement Board and supported by User Intelligence Groups, covering all areas of council spending. The strategy provides a clear action plan which identifies how the council will achieve the superior performance levels identified in the McClelland Report. Good practice guides will be developed through the life of the strategy, which cover organisational compliance, procurement for council services, sustainability and efficient procurement.

96. In the last five years, the council has been successful in developing its approach to e-procurement. New initiatives include the development of an in-house tendering facility, online supplier catalogues and electronic ordering systems, increasing the use of purchase cards and consolidating invoices for payments. These have contributed to the realisation of procurement efficiencies, for example

Exhibit 12

Efficiency savings relating to procurement

Area of savings	£
Cleaning materials	460,000
Energy	800,000
Computers	180,000
Other	30,000
Total	£1.47 million

Source: Falkirk Council, 2007

savings within the catering division of three hours per week per catering establishment and £20,000 for invoice processing costs.

97. The new procurement strategy also includes specific actions to further develop e-procurement for example, the extension of the electronic ordering and payment to education services, reviewing capital payment procedures and expansion of the Integra financial system.

98. The council produced its first efficiency statement for 2006/07. As part of this, the council has begun to systematically record and identify efficiency savings. Procurement-related savings of £1.47 million were reported ([Exhibit 12](#)).

99. Underpinning the council's approach to procurement is a willingness to develop new partnerships and service delivery models. For example, the council is currently utilising a Non-Profit Distributing Organisation (NPDO) model to replace four secondary schools.

100. The council is involved in a joint buying arrangement with Clackmannanshire and Stirling Councils and Central Scotland Fire and Rescue Service. The arrangements cover various contracts including vehicle and plant supplies, ICT and other products. There are currently 25 contracts with Falkirk Council's share of the annual contract values

amounting to £10.7 million. The council can demonstrate examples of procurement savings through the joint buying arrangement, although it is not possible to quantify the total figure of savings attributable to the purchasing consortium. The council also undertakes benchmarking with ABC and Scotland Excel. In light of the emerging national procurement models, however, the council will need to evaluate and quantify the benefits of its approach to collaborative procurement. This is recognised within the council's new procurement strategy and corporate improvement plan.

Managing assets

A new comprehensive corporate asset management plan is in place but it is too soon to judge its impact.

101. The council has a portfolio of tangible assets valued at approximately £441 million. This comprises council operational buildings, housing and community building and commercial properties as well as parks, roads and public open space.

102. In August 2007, the Policy and Resource Committee approved the council's *Corporate Asset Management Plan 2007-2010 Better Assets, Better Services*. It provides a coordinated approach across all services and programmes of activities that meets customer expectations and enables standards to be improved.

103. There is evidence of a great deal of work within the area of asset management but it is too early to assess the effectiveness of the council's overall strategic approach. Only three out of eight service asset management plans are developed, with gaps in key areas such as community services, care homes and parks strategy.

104. The council's approach to asset management supports the corporate and service planning and capital investment process. It recognises that with an increasing population and major developments through town centre regeneration, it must develop a portfolio of assets that meet the demands of essential services such as schools, libraries and affordable housing.

105. The CMT steers the development of the plan to ensure that it meets corporate objectives. The director of community services, who chairs the asset management groups which brings together representatives from each service, leads responsibility for this. Progress is reported through the Policy and Resources Committee. These developments together provide a useful framework within which the council can manage its assets more effectively.

106. While the corporate asset management plan is relatively new, the council has been driving forward a range of projects and initiatives. An assessment of both the condition and suitability of the non-housing property portfolio has been conducted, which identifies that 75 per cent of the non-housing property portfolio meets service needs with only minor improvement or redesign and only routine maintenance or minor repairs required in the next five years. Of the remaining 25 per cent of the portfolio deemed not to meet certain service or condition needs, plans include:

- replacement of four secondary schools, with modern fit-for-purpose facilities

- investment of £16 million in the schools' estate
- investment and upgrades to community and leisure facilities.

107. The council manages a stock of 17,000 houses (at April 2007). However, at present 67 per cent of the housing stock would not meet the Scottish Housing Quality Standard (to be introduced in 2015), largely because of shortcomings in energy efficiency. Plans, approved by Communities Scotland, are in place to address this by the deadline of 2015.

108. There are challenges in taking forward this corporate asset management plan. In particular, major improvements and repair are required to office accommodation. The council plans to undertake a strategic review of this during 2007/08.

ICT

The council is making good progress in modernising service delivery using ICT. Specific developments such as the customer contact centre and Customerfirst system are helping to improve the customer experience.

109. The priorities for modernising service delivery using ICT are articulated in two key documents: the recently published *ICT Strategy* and the *21st Century Action Plan*. Both documents provide a focus for the modernisation agenda across all services within the council and identify the following key priorities:

- improving public access to information
- integrating front and back office systems and processes to improve performance and a stronger customer focus
- improving citizen consultation and communication

- achieving the Scottish Executive's Electronic Service Delivery (ESD) targets
- delivering better customer services.

110. ICT is being used to modernise and deliver better services to customers. Key achievements include:

- Establishment of a customer contact centre in 2005.
- The development and delivery of a community portal 'Falkirk online'.
- Relaunch of the council's website, which recorded over one million visits during 2006/07 and fully meets the obligations of the Disability Discrimination Act, thus making it accessible to a wider and more inclusive audience. It also provides greater access to on-line services such as requests for special uplifts, library reservations and council tax transactions.
- Establishment of a virtual teacher's centre, which is supporting teachers in using ICT in learning and teaching and helping schools to develop more creative approaches to ICT.

111. To underpin delivery of the 21st Century Government strategy to provide a modern customer-focused service, the council has delivered the first stage of its Customer Relationship Management (CRM) Project, a centralised electronic complaints system, Customerfirst. Staff dealing with customer complaints now have access to every contact the customer has made and all the subsequent comments recorded by officers. Written notes added to the system are now held in one place. This unique view of customers' details avoids staff throughout the council having to transfer customer calls between services and provides a more user-friendly approach.

112. The council is making good progress against ESD targets and is currently ahead of the national

average. The post of head of ICT, formerly mainly a technical support role, has remained vacant for almost 12 months and interim arrangements have been in place to maintain momentum on key improvement projects. Other service areas lead many of the customer-focused developments, but the council now needs to provide greater clarity around the longer-term leadership, focus and direction of this function.

Performance management arrangements

The council has put in place a corporate performance management framework, Falkirk Active Scrutiny Tool (FAST). Staff at all levels demonstrate a good understanding of the framework, but performance reporting is not consistent across services. The council makes good use of LPIs to provide a more rounded picture of performance.

113. FAST articulates the council's approach to performance management and continuous improvement. It provides an integrated picture of the council's performance management framework from priority, setting to scrutiny and sets out the various forums and levels of reporting, including reports to committees, CMT and various strategic, service and operational reports.

114. FAST is embedded throughout the council. Services are clear about their respective roles and obligations under the framework. Results from the 2007 HNA survey support this finding:

- 83 per cent of employees are clear about their duties and responsibilities.
- 72 per cent of employees are clear about the goals and objectives of their department.
- 73 per cent of employees understand how their work fits into the overall aim of the organisation.

115. Remedial measures are implemented where services identify declining or poor performance. For instance, when a SPI falls into the bottom quartile within development services, this triggers an immediate investigation of the cause and an action plan is required. All services provide quality performance reports to both the CMT and BVAF and these are an important feature of DMT meetings. QPRs provide a rounded view of performance, balancing SPIs with KPIs and LPIs and encompassing all forms of continuous improvements such as best value and other business improvement tools.

116. There is some inconsistency in the application of performance reporting by services. Some services have adopted traffic-light systems for QPR while others have not. The accuracy of these reports depends on consistent, accurate and reliable management information and data collection processes being in place across services. The recent Communities Scotland inspection report has identified weaknesses in the collection of performance information within the housing service, particularly within homelessness services.

117. As a result of the different reporting formats, there is also some variability in the performance information provided to elected members, which affects their ability to fulfil their scrutiny role. This is of particular concern given that 50 per cent of elected members are new to the council.

LPIs

118. Each service of the council uses LPIs to gain a rounded view of its performance. Annual Service Performance Plans contain details of these measures and QPRs provide regular progress reports. These reflect both service and corporate priorities. Examples from individual services include:

- community services – adult literacy programme and employment training
- corporate and commercial services – the number of apprentices and skill-seekers recruited within the service
- development services – customer satisfaction survey; percentage of responses not containing an unsatisfactory return
- finance services – percentage of customer care complaints responded to within seven days.

119. Overall, LPIs comprise a range of management and service measures and targets and allow services to monitor performance against their priorities. LPIs demonstrate a strong customer focus and help services to identify and respond quickly to issues of customer concern. They are used to implement service improvements. Feedback from elected members has played a key role in refining the current set of LPIs, and the measures are regularly reviewed. Used together with SPI data, they provide a fuller picture of performance.

120. The council is developing its performance reporting, focusing on reducing variability across services and this will take effect for the 2008/09 reporting cycle. Other plans for development include the approved purchase of an electronic performance management system, which will assist in the consistency and coordination of monitoring. These developments should improve the consistency of performance reporting to members.

Scrutiny

There are adequate arrangements in place for scrutiny of decision-making but there is potential to enhance members' role in scrutinising performance. The council needs to press ahead with its review of democratic structures to refresh its approach to scrutiny.

121. The three main forums providing scrutiny of decision-making, policy development and performance within the council ([Exhibit 3, page 12](#)) are the full council, five scrutiny committees and the BVAf. As discussed in [Part 1](#), BVAf has an important role in scrutinising performance and conducts its business in private. The Policy and Resources Committee sets the overall policy framework for other committees and, ultimately, the full council scrutinises its decisions.

122. Under the council's Scheme of Delegation, the scrutiny of specific policy and service delivery is the delegated role of the five scrutiny committees ([Exhibit 3, page 12](#)). Scrutiny committees meet on an eight-week cycle. Scrutiny arrangements were established in 1999 and are not fully aligned with current corporate priorities.

123. There is a 'call-in' function at Policy and Resources and Scrutiny Committees. Committee members can 'call in' a decision to council (either a special meeting or the next normal meeting), within three working days of the committee if at least one quarter of those present and voting at a meeting agree. Members have called in decisions on eight occasions in the last 12 months, including the new community schools project and the local transport strategy 2006-2009. If the item is already being reported to Policy and Resources or council from a scrutiny committee, the call in procedure is not deemed necessary and the issue can be re-examined at that forum.

124. Scrutiny Committees have delivered valuable policy development work, particularly in relation to issues of community concern, for example, the graffiti removal project. They do not, however, routinely scrutinise the decisions of the Policy and Resources Committee, although an item may be referred back to them by Policy and Resources for further investigation. They operate more as committees of enquiry offering scrutiny of policy development, rather than as forums for challenging or scrutinising the decisions of the administration.

125. At present, a number of factors constrain the effectiveness of scrutiny arrangements:

- The BVAf, which offers an important scrutiny role, operates in private.
- Members of the Administration chair all five scrutiny committees – a practice continued by successive Administrations.
- The amount of scrutiny that individual services receive can vary as some scrutiny committees scrutinise a range of service areas while others have a more focused remit.
- Scrutiny committees can scrutinise policy development and make policy proposals within a policy framework defined for them by Policy and Resources Committee. They can make recommendations to Policy and Resources Committee but do not, however, have powers to scrutinise the decisions of that committee.

126. As outlined in [Part 1](#), the council now needs to implement the recently approved review of political structures. A full and comprehensive review of scrutiny arrangements should consider such issues. The publication of the council's new corporate plan setting out the corporate priorities will provide a good platform to consider options for the development of the scrutiny function.

Continuous improvement

The council has promoted a culture of continuous improvement in recent years. Staff share this commitment, are enthusiastic about new initiatives, and are able to point to real service improvements.

127. The council is committed to continuous improvement, which is demonstrated through the delivery of some major improvement projects and initiatives such as Town Centre Regeneration, accreditation programmes and achievements in sustainable development within schools. The council's corporate improvement plan is the key driver for continuous improvement. The CMT monitors key corporate improvement priorities monthly and BVAf receives reports on these on a quarterly basis.

128. Staff across a variety of services and grades demonstrate a clear understanding of continuous improvement and cite examples of real improvements including Freedom of Information (FOI) & complaints database, online payment and purchasing, the introduction of CRM and better use of performance data. Accreditation and business improvement tools such as IIP, Chartermark and ISO 9001 are being used to drive service improvements. External awards include the SHAW award and Chartered Institute of Public Relations Public Sector Team of the Year 2004.

129. The council has responded positively to inspections such as the HMIE inspection of the education function in 2004 and the follow-up in 2005, demonstrating considerable improvements across the quality indicators, which were reassessed in the recent 2007 inspection. The council actively addresses recommendations identified in annual reports by external auditors and there has been good progress across a number of improvement areas highlighted in the 2005/06 action plan.

Exhibit 13

Shared services comparative data

Description	Falkirk Performance Data	Best practice target	Five council average
HR			
No of FTE's per HR FTE	174.2	150	104.5
HR costs per FTE	£296	£223	£446
Cost of HR as % of total operational costs	0.48%	0.25%	0.64%
Payroll			
Cost of payroll per payslip (£)	£2.14	£2.10	£3.37
No of records processed per payroll FTE	14,657	17,000	13,968
Finance			
Total cost of finance as % of total council cost	0.7%	0.8%	0.97%
Cost of collection per debtor account	£2.94	<£4.00	£4.88
Sales invoices processed per FTE	7,411	>8,000	2,787
Purchase invoices processed per FTE	7,140	>18,000	6,332

Source: Audit Scotland, 2007

Service reviews, benchmarking and option appraisal

Although corporate guidance exists, there is an inconsistent approach to service reviews. Opportunities for efficiency savings and economies of scale are yet to be fully realised. The revised framework for service reviews is intended to address these weaknesses.

130. The council draws up its service review programme following recommendations from the corporate best value working group, comprising representatives from each service, and the CMT. There are clear and comprehensive guidelines in place for undertaking these reviews and monitoring progress via the BVAf and CMT. There are examples of improvement activity across all services and service performance plans provide details of ongoing, planned and completed service reviews. Recently completed service reviews include absence management, building standards and internal audit.

131. There is scope for improvement in the central coordination and quality assurance of the corporate best value review programme. For example, it is not clear how many reviews are completed at any one time and planned reviews can be removed from the programme if they are deemed to be of limited value. Moreover, service directors may decide which completed reviews are submitted to BVAf for scrutiny. This means there is no corporate oversight of best value reviews and efficiency gains cannot be accurately quantified.

132. The council acknowledges that this as an important area for improvement. In October 2007, the CMT considered a revised framework for best value service reviews and introduced a programme of strategic reviews. This agreed a set of criteria or 'weightings' which will determine the relative merits of reviewing a particular service, strategy or function. An important feature of this approach is that potential savings or efficiency gains are identified as part of the initial scoping for the review. This approach also clarifies the approval and scrutiny

role of BVAf throughout the course of the review. Within this new framework, the council now needs to move ahead with implementing it as matter of priority.

133. There is corporate guidance in place covering benchmarking and options appraisal. The council has been participating in developing a Shared Service feasibility study with Clackmannanshire, Stirling, Perth and Kinross and East Dunbartonshire. As part of the preparations, undertaken over the last 12-15 months, substantial work was carried out to benchmark HR, finance, procurement and payroll. A feasibility study ([Exhibit 13](#)) indicated that Falkirk performed better than the five council average across all aspects and exceeded, or was close to, the best practice target in a number of areas. This was a key factor in the council's decision not to pursue Shared Services in these areas. In this case, the model proposed was not advantageous to the council. However, the council is open to the concept of sharing services where it represents best value and improves services. Individual elements of Falkirk's local

improvement plan are being taken forward through other routes such as the procurement strategy.

134. There is an opportunity for the council to build on the work undertaken as part of the Shared Services preparations, to apply a more systematic usage of benchmarking across services and to ensure that this is monitored.

Competitiveness

It is some time since the council conducted reviews of competitiveness of most of its relevant services. A recent review of housing raised questions about value for money. The council's planned review of commercial activities is overdue and must be treated as a priority.

135. In 2001, the council undertook a comprehensive review of the former Direct Labour Organisation/Direct Services Organisation (DLO/DSO) activities. Specifically, the best value review of housing general maintenance undertaken at that time resulted in savings of £260,000 per annum.

136. Some commercial activities have been subject to further review over the last five years including building cleaning and catering (as part of the schools NPDO project). As part of the latter project, Audit Scotland undertook an examination of the analysis provided by the council. The quantitative assessment by Audit Scotland demonstrates that the private finance initiative (PFI) project represents overall value for money in accordance with current guidance. Both Significant Trading Organisations (STOs) have met their statutory financial targets for 2006/07.

137. More recently, as part of the Communities Scotland inspection of Falkirk Council's housing services, in September 2007 the Institute for Public Finance (IPF) conducted an independent, high-level assessment of financial management and value for money. A comparative analysis, based on a number of criteria, was undertaken to

determine the performance of Falkirk's housing service in relation to other similar councils. The overall findings of this assessment point to weaknesses in evidencing value for money. IPF concluded that the lack of robust internal challenge and the absence of pressure on housing revenue account budgets may have contributed to this finding.

138. Since most of the competitiveness reviews undertaken by the council were conducted some time ago, and in light of the issues highlighted within housing management by the IPF assessment, it is now time for the council to press ahead with its planned 'across the board' review of commercial services.

Equalities

The council can demonstrate good examples of promoting equality of opportunity and shows a clear intent to raise the profile of equalities. The adoption of the community engagement strategy will provide a more coordinated framework for the consultation and involvement process of all its citizens.

139. The council is driving forward the equal opportunities agenda and encouraging mainstreaming across all services. For example, the strategic community plan identifies 'Equal Opportunity and Equity of Access' as an overarching theme.

140. The 2006-09 Equality Scheme brings together the action plans from each service which identify the steps that they will undertake to fulfil their equality duties across a range of areas including race, disability and gender over a three-year period. The scheme links with work currently being undertaken by services and reflects:

- priorities for the council
- relevant priorities for service users
- specific outcomes that the service wishes to achieve to promote equality of opportunity
- lines of accountability.

141. Monitoring and reporting arrangements are well established. Services provide a yearly update on progress with their action plans and this is formally reported via the CMT. Each service performance plan contains clear goals, targets and actions for equalities, against which performance is measured and scrutinised.

142. More broadly, there are some good examples of equality of opportunity:

- the roll out of a comprehensive e-learning equalities training package for all staff
- service level agreements with Central Scotland Racial Equality Council, Rape Crisis and Shopmobility
- implementation of good practice guidelines for communicating with minority ethnic communities and individuals with a sensory disability
- production of a migrant workers booklet to meet their specific needs and considerations.

143. The council collects a range of data on the make-up of its workforce including race, disability, gender and age. In 2006/07, it ranked fifth among Scottish councils for both the percentage of the highest paid two per cent of earners and the percentage of highest paid five per cent of earners that are women. The proportion of the council's buildings that are accessible to disabled people is 56 per cent compared to the national average of 51.9 per cent.

144. The council works well with partners in this area. Community Planning has provided a useful platform for this, as equalities is a cross-cutting theme. The community engagement strategy will provide a more detailed framework for the consultation and involvement process.

145. The council is aware of its changing demographics and the impact that this has on service design and delivery. Its work in relation to migrant workers is a good illustration of this ([Exhibit 14](#)).

Sustainable development

The council has made excellent progress in addressing sustainable development and is able to demonstrate achievements at strategic and operational levels.

146. There is a clear overarching strategy for sustainable development with supporting action plans. The council's strategy – Sustainable Falkirk – sets out the vision for sustainable development within the area. This is underpinned by the Sustainable Falkirk Action Plan 2006 and by a set of performance measures. Progress on the action plan is reported regularly through the Policy and Resources and Environmental and Heritage Committees.

147. The council is mainstreaming sustainable development across service activity. All service performance plans must demonstrate their contribution to sustainable development. Activity is coordinated by the Sustainable Falkirk Corporate Working Group which provides quarterly reports to the CMT and BVAf.

148. The council employs a dedicated sustainable development officer. By 2006, all seven council services had established a sustainability service team, each with an action plan. A recent CMT report (May 2007) reviewed progress and achievements to date. These included:

- Development services recorded a 14 per cent reduction in energy use at Abbotsford House over a seven-month period. Awareness-raising and energy-saving equipment helped achieve this reduction.

Exhibit 14

Migrant workers in Falkirk

Issues related to migrant workers in Falkirk are channelled through the CPP. The partnership's lead officer on Equalities and Equality of Access, who is also the council's head of HR, is coordinating this approach.

Each thematic implementation group has been given responsibility for supporting migrant worker issues pertinent to that particular theme. For example, the migrant workers subgroup within the Lifelong Learning and Opportunity theme, which is led by the council and Forth Valley College, is seeking to coordinate learning services for migrant workers and their families including:

- children coming to school
- language skills offered by Forth Valley College
- adult literacy and numeracy
- English for speakers of other language (ESOL).

By using the CPP as the main vehicle to take forward the wide range of issues affecting migrant workers, the council is not developing its approach in isolation, instead it is involving all the key stakeholders and partners across the area seeking to deliver a more coordinated set of solutions to the challenges presented.

Source: Audit Scotland, 2007

- Corporate and commercial services moved to the production of an electronic sustainability newsletter and undertook energy awareness-raising campaigns in council buildings, which saw the dissemination of 'switch it off' stickers for electrical items.

149. The council is recognised as demonstrating good practice and innovation for example, the Eco-school design of Deanburn Primary School was featured nationally as an exemplar of good practice by the Scottish Executive and Tate Modern ([Exhibit 15, page 32](#)).

150. The council has other achievements:

- The 'Most Innovative Local Authority' award for its recycling initiatives in its own buildings by the waste management company Valpak.

- Its proactive approach towards sustainable development is acknowledged in Sustainable Scotland Network's (SSN) new national website for local authorities.
- Work with community partners to deliver local sustainability projects such as establishing Falkirk Council as a Fairtrade Town, enhancing the wildlife potential of council care home grounds, promoting the use of reusable nappies, recycling wood, mobile phones and toner cartridges.

151. The council's performance on waste management has exceeded the national target, with the percentage of municipal waste recycled showing year-on-year improvement over the last three years, rising from 9.1 per cent in 2004/05 to 35 per cent in 2006/07. At 90 per cent, the level of public participation in recycling is higher than the Scottish average of 81 per cent.

Exhibit 15**A sustainable approach to education – Deanburn Primary and Eco-Schools**

Deanburn Primary School in Bo-ness opened in September 2005 at a cost of £3 million. It is one of the most energy-efficient and environmentally-friendly schools in Scotland, incorporating a number of energy-saving features including:

- a grey water system that collects rainwater and stores it for use in flushing toilets, therefore reducing the use of treated mains water and lowering water bills.
- grass roofs that help insulate the building, keeping it warm in winter and cool in summer, reducing heating bills.
- a wind turbine located within the ground of the school, providing up to 15kw of electrical power for the school, thus reducing energy bills.

Deanburn Primary School has set the standard in school design for Falkirk Council, providing the template for incorporating sustainability into the design of primary schools. This is now also being achieved at new schools in Maddiston and Larbert.

Ninety three per cent of Falkirk's schools are registered with the Eco-Schools Scotland's international programme, which is designed to encourage whole-school action for the environment. Furthermore, 15 schools have achieved the Green Flag award, Eco-Schools Scotland highest award.

The council's commitment to environmental issues within education is also evident through the recruitment of a dedicated environment support teacher, in addition to seven specialist support officers such as schools waste education officer, litter officer and biodiversity officer, who are all available to help schools with general environmental issues. Support is also made available to schools through an e-newsletter called *Green Schools Gossip*, which promotes environmental activities and projects in Falkirk's schools.

Source: Audit Scotland fieldwork, 2007

Part 3. How are services performing?



Falkirk Council's service performance presents a mixed picture overall. Recent HMIE and SWIA inspections highlight sustained improvements in education, community learning and development and criminal justice services. The SWIA multi-agency inspection of services for older people (MAISOP) rates performance of the Falkirk partnership as mostly 'adequate', and requires improvement action by the council and key partners.

A significant improvement agenda has been identified in the recently published inspection report by Communities Scotland on the housing service.

The council's overall trend across SPIs indicates improvement between 2004/05 and 2006/07 and at 1.4, the ratio of improvement to decline is just below the Scottish average of 1.5. The number of 2006/07 SPIs in the top quartile exceeds the national average. Most SPIs are in the middle quartiles and there is scope to increase the pace of improvement.

Measuring performance

The council's SPIs have improved in line with national trends between 2004/05 and 2006/07. The majority of indicators are in the middle quartiles.

152. Each year local authorities are required to report and publish information about their performance through SPIs. Audit Scotland collates the information for all councils and publishes a compendium of all SPIs and council profiles on its website. The council profiles contain 82 measures taken from the SPIs. These do not give a comprehensive picture of performance across all services; they allow some comparisons between councils and over time.

153. Falkirk Council's SPI performance shows year-on-year improvement, close to the average performance of councils

Exhibit 16

SPIs: Performance change between 2004/05 and 2006/07

	Measures that worsened by:			Measures that improved by:		
	>15%	10-14%	5-9%	5-9%	10-14%	>15%
Scotland	7	3	4	5	4	11
Falkirk	6	5	1	4	3	10

Source: Accounts Commission SPIs 2004/05 to 2006/07

across Scotland (Exhibit 16). Between 2004/05 and 2006/07, performance improved by at least five per cent on 17 SPIs and worsened by at least five per cent on 12 measures, producing a 1.4 ratio of improvement to decline. The council performs poorly in areas such as sickness absence for staff other than teachers, carriageway condition and refuse collection complaints.

154. The distribution across all aspects of performance compared to other local authorities shows that the majority of indicators remain around the average level, with 47 indicators falling within the middle quartiles. The number of measures in the upper quartile, however, exceeds the Scottish average (Exhibit 17).

155. Indicators that have improved since 2005/06 and are now in the top performing eight councils include:

- The number of homecare clients aged 65+ receiving care at weekend as a percentage of clients (ranked 16th in 05/06, sixth in 06/07).
- The percentage of working days lost through sickness absence for teachers (ranked ninth in 05/06, first in 06/07).
- The cost per property (£) of refuse collection (ranked 18th in 05/06, eighth in 06/07).
- Cleanliness – overall cleanliness index achieved (ranked 30th in 05/06, sixth in 06/07).

156. The SPIs also highlight poor and declining aspects of the council's performance. These require action either to reverse decline or speed up the rate of improvement. Of the eight indicators in the bottom quartile in 2006/07, three of these were in the same position in 2005/06. These were:

- The percentage of working days lost through sickness absence for chief officers and local government employees (ranked 27th, a fall of 0.4 per cent on 2005/06).
- The percentage of working days lost through sickness for craft employees (ranked 27th, an increase of 0.5 per cent on 2005/06).
- The percentage of the road network that should be considered for maintenance treatment (ranked 25th, an increase of 3.5 per cent on 2005/06).

157. A number of indicators that are in the lowest quartile have deteriorated by at least ten per cent since 2004/05. The indicator showing the steepest decline in performance is the percentage of business advice requests dealt with within 14 days of receipt, which fell from 12th in 05/06, to 31st in 2006/07, following sustained improvements between 2004/05 and 2005/06.

- Sport and leisure management – the number of attendances per 1,000 population for all pools (ranked 27th).

Exhibit 17

Council profile of SPIs 2006/07: number in each quartile by service area

	Upper quartile	Middle quartiles	Lower quartile	No service
Adult Social Work	8	12	1	
Benefits Administration	1	1	0	
Education and Children's Services	2	6	0	
Corporate Management	6	4	2	
Cultural and Community Services	3	6	1	
Development Services	0	2	0	
Housing	3	7	1	
Protective Services	0	5	1	
Roads and Lighting	1	2	1	
Waste Management	3	2	1	
Total	27	47	8	
Scottish average	21	47	14	

Source: Accounts Commission SPIs 2006/07

- Business advice requests – percentage of requests dealt with within 14 days of receipt (ranked 31st).
- Carriageway condition – percentage of the road network that should be considered for maintenance treatment (ranked 25th).
- Refuse collection – the number of complaints per 1,000 households (ranked 28th).

Customer focus and responsiveness

The council has made improvements to customer services in recent years, including the establishment of a dedicated contact centre and reviewing the services provided by an established network of one-stop shops.

158. With investment from the Modernising Government Fund (MGF), in January 2005, the council introduced a customer contact centre for telephone enquiries. The introduction of the centre, followed feedback from the 2004 customer survey where 80 per cent of respondents identified that they preferred to contact the council by telephone, but only 64 per cent were happy with the level of service they received when they phoned. The centre received 267,732 calls in the first 12 months and this increased by 24 per cent during 2006. Customer satisfaction surveys found that 90 per cent of callers

were either satisfied or very satisfied with the service. Recent improvements have included increased staffing levels, extended opening hours and customer care training for all staff to ensure a consistent quality of service.

159. Customers can also access the council through its network of one-stop shops, which provide residents with access to the full range of council services, and they can access a range of services online via the council's website. The council is also developing joint facilities with other partners, for example, a £1.4 million purpose-built joint health and social work facility in Bo'ness.

160. There are no over-arching service-led standards for customer services, so it is difficult to assess the quality of service provided. The council's corporate improvement plan identifies the need to address this issue.

161. Some individual services (for example, development services, for building standards) have developed their own customer charters, based on a range of service standards and performance targets. These provide a useful model, which could be adapted across other services.

Delivering services

162. The next part of the report explores performance across key services within the council. The coverage given to each individual service takes account of inspection work by SWIA, Communities Scotland and HMIE. Also highlighted are some examples of significant service-led initiatives such as the council's strategy to reduce young people not in education, employment or training (NEET) and the Forth Valley Sensory Centre. The key service issues relating to corporate and commercial services, law and administration services and finance services are addressed in [Part 1](#) and [Part 2](#) of this report.

Education and lifelong learning

The recent HMIE report confirms that the education service has made significant progress in implementing changes since the last full INEA Inspection in 2004. However, improving educational attainment in secondary schools remains a challenge.

163. Education is the largest service within the council, with approximately 2,850 employees and a gross revenue budget of £145 million. School education is provided for almost 21,000 pupils in 49 primaries, eight secondary, three special schools and three day units.

164. The recent HMIE inspection (July 2007) of the education function at Falkirk Council identified nine out of the ten indicators as 'good', and one as 'very good' (Exhibit 18). This showed marked improvement on the previous inspection in 2004 which rated five indicators as 'good' and six as 'fair'.

165. The key strengths of the authority were identified as:

- council's commitment to improving the school estate to meet the needs of communities as the population expanded
- leadership provided by the directors of education and community services and their increasingly effective partnership
- much improved morale among teachers and head teachers and their willingness to address the improvement agenda
- very positive impact of MFIF in setting out a vision for the future
- work undertaken to promote enterprise education across the council's establishments
- engagement with local Community Planning processes and regeneration projects

Exhibit 18

Overview of HMIE's assessment against core quality indicators

Quality Indicator	Evaluation
Improvements in performance	Good
Impact on learners	Good
Impact on parents/carers and their families	Good
Impact on staff	Good
Impact on local community	Very good
Impact on wider community	Good
Vision, values and aims	Good
Leadership and direction	Good
Developing people and partnerships	Good
Leadership of change and improvement	Good

Source: HMIE: Falkirk Council Report, July 2007

Exhibit 19

Secondary school attainment 2006/07

Attainment	Falkirk Council	Scottish average
Percentage of S4 roll gaining 5+ awards at level 5 or better by end of S4	30	32
Percentage of S4 roll gaining 3+ awards at level 6 or better by end of S5	17	22
Percentage of S4 roll gaining 5+ awards at level 6 or better by end of S6	16	19

Source: Scottish Government, 2006/07

- steps taken to consult with and involve pupils and young people.

166. Falkirk has more young people than the national average and school rolls are increasing. Given that many of the schools are nearing capacity, addressing the increasing school roll and ensuring appropriate facilities for the provision of education is an ongoing challenge for the council.

167. Against this backdrop, the schools' estate has become a significant area of focus for the education service in the last five-year period, involving the

phased replacement of the council's eight secondary schools. The first four schools have already been replaced through Scotland's first Public Private Partnership (PPP) project, and recently government funding was secured to facilitate the replacement of the remaining four schools. There has also been a significant investment in primary schools, with three new schools and a number of extensions planned by 2029. The focus of this work has been to increase the number of school places to accommodate increasing rolls.

168. The recent HMIE report shows that the education service has made progress since the last inspection in 2005. However, raising attainment within secondary schools remains a key challenge for the council and is identified as one of the main points for action in the HMIE report. Although there have been improvements in recent years, attainment of secondary pupils remains below the Scottish average (Exhibit 19) and the council needs to take more targeted action to improve.

Housing and social work

The February 2008 report by Communities Scotland on the housing service, indicates the council needs to make significant improvements in a number of areas, particularly homelessness services where significant weaknesses are identified. The recent MAISOP by SWIA rates the Falkirk partnership as 'adequate' overall and identifies important areas for joint improvement action by the council and partners. The council needs to respond positively with a strong corporate focus and enhanced managerial capacity to tackle the challenging improvement agenda that emerges from inspection work.

169. Housing and social work services was established in 2000. It has four operating divisions, each with its own head of service: community care, children & families, criminal justice, housing management and the strategic support unit. The latter provides services in relation to strategic housing planning and investment, and corporate tasks across the whole service including ICT and performance management. In January 2008, the council decided to locate housing services within corporate and commercial services as an interim measure, pending the conclusion of a council-wide review of management and committee structures.

Exhibit 20

Overview of SWIA's MAISOP assessment against evaluation areas for Falkirk Council and NHS Forth Valley Partnership

Evaluation Areas	Evaluation
Person-centred care	Weak
Key outcomes for older people and carers	Good
Whole systems approach	Adequate
Delivery and management of services	Adequate
Leadership and direction	Adequate
Capacity for improvement	Adequate

Source: SWIA/NHS QIS Report on collaborative working across services for older people in Forth Valley, 2008

Community care

170. During 2007, the social work service for older people was part of a multi-agency inspection (MAISOP) by SWIA in collaboration with NHS Quality Improvement Scotland. The inspection examined progress across all organisations involved in older people services in Forth Valley, namely NHS Forth Valley and Clackmannanshire, Stirling and Falkirk Councils. The report (January 2008) highlights key improvement priorities for the whole Forth Valley area which partners will need to address jointly. The development of joint strategy to deliver improved services in the future is the most significant of these. Other priorities include clarifying procedures for social work care staff for the administration of medication and developing mental health and dementia services for older people. In addition, the report provides detailed information about the individual performance of each partnership (Exhibit 20).

171. Overall, the report describes performance in the Falkirk Partnership as 'adequate' in four of the six evaluation areas. Key outcomes for older people and carers received the only 'good' rating with both client groups valuing the free home care provided. Particular aspects of the weak rating relate to inconsistencies in the process for

assessment and care management within social work services. These include resources allocation, and variability in the information available on services. Specific improvements required include streamlining existing procedures such as single shared assessment, engaging staff more fully in the development of social work services and improving managerial leadership. An improvement plan is being developed by the council and its partners and will be approved by SWIA in early 2008.

172. In terms of SPIs, the 18 relevant indicators within adult social work paint a mixed picture of performance. There are six indicators in the top quartile, 11 in the middle quartile and one in the bottom quartile. The majority of indicators have shown improvement in the last 12 months.

173. In recent years, the service has used joint working effectively to support continuous improvement. The development of the Forth Valley Sensory Centre is a good example of this (Exhibit 21). The service is also working with NHS Forth Valley in relation to the delivery of the new Forth Valley Hospital in Larbert to ensure that the arrangements for commissioning and delivering services for older people are in place and plans are well advanced in this regard.

174. The council delivers children's services in line with 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. Work is progressing to implement a locality model which will enhance the delivery of services at a local level.

175. There have been no recent inspections of social work services for children. SPIs within children's service present a mixed picture of performance. For example, there have been improvements in some aspects of respite services for children in the last 12 months but other aspects show no improvement. The council performs particularly well against the percentage of qualified care staff in residential homes for children (81.8 per cent) – ranked third best in Scotland for this indicator.

176. In 2006, SWIA carried out a performance inspection of the Forth Valley Grouping of criminal justice social work services, which included Falkirk, Stirling and Clackmannanshire. It concluded that practice standards across all three authorities are 'reasonably good' and a greater understanding of performance management and quality assurance has been achieved. Particular mention was given to Falkirk's Counselling and Support Services for Alcohol and Drugs (CSSAD), which provides an 18-week programme for women on probation.

Exhibit 21

Forth Valley Sensory Centre

The Forth Valley Sensory Centre was open in 2005 at a cost of £1.5 million. Through joint working, it brings together a range of partners who have the skills and experience in delivering services to people with sensory impairment. The social work service led this initiative on behalf of Falkirk Council, while other key partners include RNIB Scotland, NHS Forth Valley, Stirling Council, Clackmannanshire Council, RNID Scotland and the Guide Dogs for the Blind Association.

The centre provides a one-stop shop for all services, available to individuals with all forms of sensory impairment under one roof. It has been developed in a way that encourages service users to share ownership of the building and have a key role in the management of the facility while contributing to its future services.

The centre is the first of its kind in Scotland. Its facilities include an IT room with 14 PCs equipped with the latest software for all users with sensory impairment, a health suite comprising of a low-vision room, an audiology room and consulting area and a recording studio enabling information to be recorded on audio tape and CD. The success of this unique initiative is attributable to the positive and constructive way that the partner organisations worked together during this process.

Source: Audit Scotland, 2007

177. Performance against key SPIs is also good in this area. For example, the council is ranked seventh in relation to the proportion of social enquiry reports submitted by the social work department to the courts by the due date (99.9 per cent) and eighth in relation to the proportion of new probationers seen by a supervising officers within one week (87.5 per cent).

Housing

178. There is a mixed picture of SPI performance across housing in 2006/07. Of the 11 indicators, seven are in the middle quartiles, one in the bottom quartile and three in the top quartile. Two of the indicators within the top quartile relate to homelessness, but both have declined by more than 15 per cent since 2004/05. Since 2004/05, there have been continued improvements of more than 15 per cent in reducing both current rent arrears and the percentage of current tenants in arrears.

179. During 2007, the housing service was inspected by Communities Scotland. The recently published inspection report (February 2008) indicates significant need for improvement across the housing service (Exhibit 22), with particular focus on homelessness services. Following publication of the inspection's findings, the council is required to develop an improvement plan, which Communities Scotland will then approve. Communities Scotland will undertake a reinspection after two years.

180. Key areas for improvement include:

- improving performance management policies and procedures, and addressing gaps
- using service information more effectively to direct service improvement
- improving systems for dealing with complainants and feedback

Exhibit 22

Overview of Communities Scotland assessment of the housing service at Falkirk Council

Evaluation Areas	Grading
Housing management	C (fair performance)
Property maintenance and asset management	C (fair performance)
Homelessness services	D (poor performance)

Source: Communities Scotland Inspection Report of Falkirk Council, 2008

processes and using complaints feedback to improve services

- improving quality assurance processes to enhance consistency in assessment and decision-making.

181. The report also identifies a number of areas for improvement relating to each service area, homelessness service, property maintenance and asset management and housing management.

182. The housing service faces a number of ongoing additional challenges, such as dealing with the 67 per cent of the housing stock, which does not currently meet the 2015 Scottish Housing Quality Standard. The council's present Standard Delivery Plan (SDP), approved by Communities Scotland, is in place to ensure all stock meets standard by the 2015 deadline. The council's allocations policy is also undergoing a comprehensive review to address weaknesses identified by the council.

183. The council has a wide range of effective means of communicating and consulting with tenants and service users, such as the tenants' conference (2004 and 2007), *Falkirk Council News* and website. Respondents to the 2007 tenants' satisfaction and waiting list survey rated all aspects of communications highly, although perceptions of how the council used the results of consultation were less positive.

184. Findings from the independently commissioned tenants' satisfaction and waiting list survey, carried out in summer 2007, indicate generally positive feedback with 93 per cent of respondents stating they were happy with the council as a landlord and the quality of their neighbourhood environment. Satisfaction with repairs service was lower at 78 per cent for the length of time from reporting a repair to completion. Awareness of the allocations policy was very low with concerns around ease of understanding of the points system, perceived fairness and keeping applicants informed. These findings will inform the ongoing allocations policy review.

185. The service has lacked stable leadership for a number of months. The head of housing management post has been vacant for six months, although interim arrangements, in the form of a temporary appointment, were in place during this period. In January 2008, the council agreed to locate the housing management function within corporate and commercial services under the management of the head of facilities management. This is an interim measure pending the conclusion of the council-wide review of management and committee structures.

186. Overall, it is clear that the council faces a challenging improvement agenda in relation to housing. This will require strong support and sustained leadership from the CMT and elected members and appropriate structural and reporting arrangements, underpinned by good management

information, to provide stability to secure improvements going forward.

Community services

Community services has an important strategic role in working with communities and partners. It demonstrates a strong customer focus and has delivered a number of important improvements for the area. HMIE recently commended continued 'very good' progress in community learning and development services. The service must maintain a focus on key aspects of service performance.

187. Community services comprises the following service groupings: culture and lifelong learning; leisure services and economic development services. It has a revenue budget allocation of approximately £33 million for 2007/08 and a total permanent staffing establishment of 491. Community services also employs a significant number of temporary, casual and sessional staff.

188. SPI figures for 2006/07 show a mixed picture. The council ranks in the top quartile of performance for museum services and replenishing library stock for adults. Performance is average in replenishing library stock for children and teenagers, visits to libraries and number of borrowers. Performance is static for the number of users of learning centres and learning access points, but usage of terminals has increased. Recorded participation levels in sport are declining.

189. The council's own LPIs, however, show higher levels of sport and leisure participation. Of the council's nine swimming pools, three operate as leisure pools; four are in the PFI schools and two in existing council-run schools. The 2006/07 SPI did not include community users of school swimming pools, but this information will be included in future SPI returns. The Active Schools Programme has also had an impact on recorded SPI participation rates across the area. As a result of the programme, children

Exhibit 23

Tackling NEET – Falkirk Council Strategy

The council has put in place a range of measures to prevent and reduce the number of young people categorised as NEET. As a result of these measures, NEET figures for school leavers in the Falkirk area have consistently fallen over the past four years and are now at their lowest level for five years. Furthermore, the number of pupils entering employment has increased over the last three years and is now six per cent above the Scottish average.

During 2003/04, 25 per cent of school leavers moved into negative school leaver destinations within the Falkirk area. A total of 14.6 per cent of 16 to 19-year-olds were unemployed during this period. Both these figures were poorer than the Scottish average. To address the persistent problem of young people classified as NEET, the council worked jointly with Careers Scotland, Scottish Enterprise Forth Valley, Forth Valley College, Job Centre Plus and Communities Scotland.

A Joint Action Plan was agreed in October 2004, which focused on issues such as improving attendance, reducing exclusions at school and increasing the number of leavers entering training or employment. Within two years of implementation, there had been an overall six per cent reduction in the number of young people leaving school categorised as NEET. Through a range of preschool leaving activities and engaging effectively with young people who have left school and are not engaged in a positive destination, specific achievements include:

- six per cent improvement in the number of pupils achieving SCQF Level 3 in English
- five per cent improvement in attendance
- nine per cent increase to 88 per cent in the number of positive transitions from school
- a 19 per cent reduction in the number of department for work and pension claimants.

While Falkirk Council and its partners have made significant progress in reducing the number of young people categorised as NEET, there is still scope for further improvements. These include reducing the Falkirk NEET position to below the Scottish average by October 2008, increasing the percentage of school leavers who move on to positive destinations to 88 per cent by October 2009 (equivalent to four per cent above the Scottish average) and reducing youth unemployment by five per cent by October 2009 (equivalent to three per cent below the Scottish average).

Source: Falkirk Council, 2007

previously participating in after-school activity at their local swimming pool, are now encouraged to remain at school to take part in other organised sports activities.

190. Community services has increased its customer focus and engaged well with partners and stakeholders. The service plays an

important role as the council's main interface with the communities it serves. Community services reports quarterly to BVAf on 65 performance measures, most of which are not SPIs. Recent achievements include:

- implementing the council's strategy to reduce the incidence of young people not in education,

employment or training' (NEET) (Exhibit 23)

- continued delivery of the MFIF economic development programme
- ongoing programme of town centre regeneration covering Bo'ness, Denny, Stenhousemuir
- successful completion of the stage one HELIX Big Lottery Living Landmarks Fund bid which will deliver £50 million of environmental improvements to the area (£25 million will be funded by the Big Lottery Fund)
- ongoing development of the Falkirk Community Stadium
- community learning & development services received positive HMIE inspections in 2002 and 2005, commenting on good progress. The final report on the follow-up inspection published in November 2007 was very positive, with progress against three of the four action points rated as 'very good'.

191. The 2007/10 Service Performance Plan contains 25 separate management and service delivery actions. These show good awareness of service performance issues and include measures to tackle specific aspects of service performance, for example, reviews of sports and leisure and ongoing capital investment in sports and leisure facilities.

Development services

Within development services, the majority of SPIs remain in the middle quartiles. The service is carrying two senior vacancies and this will limit its capacity to sustain service improvement. There is strong customer focus and high levels of high citizen satisfaction.

192. Development services has a revenue budget for 2007/08 of £26.79 million and 390 employees (297.5 FTE). The current structure

brings all the regulatory, planning and design functions within the council (together with associated professional services) into one department and comprises three service areas: roads and design, environmental and regulatory, and planning and transportation. The service plays a key role in corporate areas such as sustainable development and risk management and takes the lead in the ongoing programme of town centre regeneration.

193. SPI figures for 2006/07 show a mixed but largely improving picture with most indicators falling in the middle quartiles. Since 2004/05, there have been sustained improvements in recycling rates, which is now in the upper quartile, and in planning application and processing time indicators, achieved during a period when the service has been subject to a number of vacancies as well as the inspection of trading premises. By contrast, there has been a decline in performance in business advice requests. Consumer complaints performance has remained static. Performance is in the middle quartiles for the three new indicators including domestic noise complaints (dealt with under Antisocial Behaviour (Scotland) Act 2004), domestic noise complaints (excluding Antisocial Behaviour) and the removal of abandoned vehicles.

194. The departmental senior management team has renewed its focus on service performance, and poor SPI performance is now tackled systematically through action plans triggered when an SPI falls into lowest quartile. This strategy can demonstrate success in areas such as traffic-light repairs, which moved into the third quartile in 2006/07 with a performance rate of 90.6 per cent.

195. The service has made efforts to develop its customer focus and many of its LPIs reflect this. In 2007, building standards developed its own customer charter (Exhibit 24) and a series of public road show presentations were delivered covering recycling and waste. Customer

Exhibit 24

Building standards customer charter

The building standards unit within development services has developed its own customer charter which sets out the standards which should be achieved in all dealings with customers. The charter gives a clear commitment to its customers covering:

- accessibility
- accountability
- accuracy
- consistency and fairness
- courtesy.

The charter clearly lays out quality and consistency performance targets for the unit. These set standards cover a range of issues for example, building warrants, completion certification, letters of comfort and general enquiries. It also identifies a range of qualitative customer standards. Examples include the following:

- deal with customers in a courteous, approachable and helpful manner
- respond to all potential emergency incidents reported
- consistently meet set performance targets for specific functions.

Developing a range of standards and performance measures allows the building standards unit to assess the quality of service provided to the public and may also inform the ongoing development of corporate customer standards.

Source: Falkirk Council, 2007

satisfaction ratings across the service are consistently positive, for example, ranging from 84.5 per cent in building design to 94 per cent in building services in 2006/07.

196. Key achievements during 2006/07 include:

- completing the detailed design of the £15 million A801 River Avon Gorge road improvement scheme
- providing ongoing design advice to the Town Centre Regeneration Steering Group
- providing specialist planning and environmental advice as part of the successful HELIX Big Lottery Fund bid
- introducing a new waste strategy which helped to raise recycling rates from 11 per cent at the end

of 2002/03 to over 35 per cent in 2006/07.

197. The department is carrying two senior vacancies: head of planning and head of roads and design, although interim arrangements are in place to cover both posts. These roles are under review as part of a forthcoming wide-ranging review of managerial structures. Clarity in relation to these functions is required to ensure the service can maintain its continuous improvement momentum. At 14.7 per cent in 2006/07, staff turnover within the service was nearly twice the council's average of eight per cent. Flexible working practices are being used to address recruitment, retention and staffing capacity levels, in occupations of high national demand such as planning. However, specific staffing pressures continue to affect the roads and design service.

Part 4. What needs to improve?



198. Continuous improvement in public services and governance lie at the heart of the Best Value and Community Planning policy framework. Elected members must focus on their key policy objectives and on 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 discussed openly, and in which service performance is constructively challenged.

199. The council has already established its own corporate improvement plan, which sits alongside its corporate priorities and provides the direction for improvement. The plan is structured under four headings:

- resources
- people
- customer services
- governance issues.

200. The CMT owns the plan, and each of the service directors has assigned responsibilities for implementing the actions identified under each of the four key headings. The CMT monitors the plan on a monthly basis, with elected members kept abreast of progress through the BVAF on a quarterly basis.

201. The improvement agenda identifies immediate and medium-term priority actions for the council designed to address areas in need of improvement. This agenda includes some activities not identified by the council in its own corporate improvement plan. This will provide the basis for review and monitoring by the council's external auditor over the coming years. Responsibility for taking forward this improvement agenda lies with the new administration.

Falkirk Council improvement agenda

Immediate

- Address the high level of vacancies within the senior management structure to ensure the capacity is in place to take forward this improvement agenda.
- Review political and managerial structures to ensure that they are:
 - relevant to the new corporate plan
 - support an open and transparent approach to policy development, decision-making and performance monitoring.
- Review current approach to scrutiny including standing orders, scheme of delegation and arrangements for the BVAF.
- Develop better links between three-year budgets and corporate and service improvements plans.
- Finalise the performance management and reporting framework for Community Planning and ensure its full adoption by the CPP.
- Ensure an overarching risk management framework is in place.
- Undertake the planned 'across the board' review of commercial services.
- Implement the community engagement strategy to provide a more coordinated and strategic approach to consultation and community engagement.
- Implement a more strategic approach to reducing sickness absence:
 - consider new options such as 'spend to save' initiatives
 - learn from other organisations to drive down high levels of absenteeism.
- Develop and put in place, corporate and service-led standards for customer services.
- Address identified weaknesses in aspects of housing services and social work services and sustain a focus on raising educational attainment.

Medium

- Provide ongoing support and training to elected members, including leadership development in order for them to discharge their roles effectively.
- Implement the revised framework for the best value service reviews and press ahead with the programme of strategic reviews.
- Drive forward the actions contained within the 2007-10 Corporate Asset Management Plan, including the detailed review of office accommodation.
- Drive forward the actions contained with the 2007-10 Procurement Strategy to ensure 'superior performance' in relation to compliance with the McClelland Report by 2009/10.
- Continue to refine public performance reporting arrangements to ensure they remain appropriate across all audiences.

Falkirk Council

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