

The Audit of Best Value and
Community Planning

North Lanarkshire 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



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

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

The Local Government in Scotland Act 2003 introduced new statutory duties relating to Best Value and Community Planning. The scope of Best Value and Community Planning is very broad but in general terms a successful council will:

- work with its partners to identify a clear set of priorities that respond to the needs of the community in both the short and the longer term
- be organised to deliver those priorities
- meet and clearly demonstrate that it is meeting the community's needs
- operate in a way that drives continuous improvement in all its activities.

The challenge for local government is to find new ways of working across services and with other bodies to achieve the best results for citizens and service users. The key objectives of this audit were to:

- Assess the extent to which North Lanarkshire Council is meeting its duties under the Local Government in Scotland Act 2003.
- Agree planned improvements with the council. These will be reviewed by the council's local external auditor over the next three years.

As Best Value and Community Planning encompass all the activities of a council it is not realistic to audit everything in depth, so we plan our detailed work in two ways:

- Where possible, we draw on the findings of other scrutiny processes, such as the work carried out by inspectorates. These are incorporated into our report.
- We select certain aspects of the council's performance for detailed audit investigation. A wide range of sources, including the council's own assessment of its performance, reports issued by external audit and inspections and national Statutory Performance Indicators (SPIs), informs this selection.

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

We gratefully acknowledge the co-operation and assistance provided to the audit team by councillor James McCabe, leader of the council; Gavin Whitefield, chief executive; Jennifer Lees, senior policy planning officer; and all other elected members and staff involved. We are also grateful to the representatives of community organisations and the council's Community Planning partners who agreed to participate in the audit.

Commission findings



1. The Commission accepts this report on the performance of North Lanarkshire 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. North Lanarkshire Council demonstrates a strong commitment to improvement. We recognise the challenges arising from the degree of deprivation in the area of the council and the low base from which the council started, and acknowledge the pace of change across the council and its high rate of service improvement. We appreciate that the council recognises areas where improvement is needed in service delivery and would encourage the council to focus attention on these areas.

3. The particular aspects of the council which the Commission welcomes include:

- Good strategic direction, with good leadership and clear vision.
- Consultation with service users.
- A strong commitment to continuous improvement.
- Well-developed arrangements for financial, asset and risk management.

4. The Commission will be interested to see the council implement its improvement agenda, particularly in respect of:

- an increase in uptake of training by elected members
- the development of the scrutiny of policy implementation
- the production of a comprehensive human resources strategy, together with improved sickness absence rates and staff morale.

5. We recognise that North Lanarkshire Council has the capacity and ability to build on its current high performance and look forward to seeing further improvement.

Overall conclusions



North Lanarkshire Council has a clear vision and strategic direction for the area, which faces a range of challenges arising from its industrial past. Members and senior officers provide clear and consistent leadership. The council works effectively with its strategic partners on a shared set of priorities which are consistent with the needs of the area. There is some good consultation with service users, but the arrangements for wider community engagement could be more effective.

The council demonstrates a commitment to Best Value and continuous improvement and has an ambitious and wide-ranging change agenda, though there is scope for the council to prioritise, articulate and coordinate it more effectively.

The council has sound performance management arrangements in place and has many sound systems and processes to support its drive for improvement. It needs to demonstrate a more strategic approach to managing its people. Sickness absence and low staff morale remain challenges for the council and need to improve to take the council through a period of significant change.

Services are generally improving, though some from a low base. The council recognises where service improvement is most needed and should pay particular attention to improving secondary educational attainment, services for homeless people, housing allocations and repairs and waste recycling. The council has reconfigured services to generate efficiencies and provide a stronger customer focus.

Many changes have been introduced by the council fairly recently, and while the initial signs are positive it is too early for the full impact of this work to be demonstrated. The council now needs to implement its

improvement agenda to ensure it is providing best value services for the people of North Lanarkshire.

- 1.** North Lanarkshire Council faces a number of challenges in addressing the legacy of deindustrialisation and the social deprivation associated with it. The council and its partners are very aware of the challenges facing the area and have a shared vision, which reflects this context and aims to improve the quality of life for residents.
- 2.** Since 1996, the council has contributed effectively to the regeneration and economic development of the area through a range of projects in partnership with other public sector agencies and the private sector. The council is developing a more corporate and focused approach to regeneration, to strengthen the strategic direction and coordination of regeneration activities.
- 3.** The council benefits from clear and consistent leadership from members and officers who work well together and have a constructive and effective working relationship. The council's systems and processes are sound and provide solid foundations for further improvement. Its business planning arrangements at the community, corporate and service planning levels are effective; as are the ways that it manages scrutiny, finance, assets, risk, ICT and procurement. The council has sound performance management arrangements in place and these are improving with the introduction of performance portfolios.
- 4.** The council has modernised its political management and service delivery arrangements over the last seven years. It has an ambitious and wide-ranging change agenda and displays many elements of a continuous improvement culture. The council is delivering an ambitious range of improvement projects and reviewing service structures. Much of this is being taken forward through the Service and People First improvement programme. It is not clear that all of the improvement activity is managed in an integrated way as part of an overall transformation programme. There is scope for the council to prioritise, coordinate and articulate its improvement agenda more effectively to assure itself that the various strands of work are being done in the most efficient way. This will also help the council ensure that it has sufficient capacity to support long-term change and improvement, and deliver core services.
- 5.** There is a long track record of partnership working in North Lanarkshire, and the council provides strong leadership to the Community Planning process. The council works effectively with its partners, though the impact of the North Lanarkshire Partnership could be measured and reported more effectively. There is some good consultation with service users, but the arrangements for wider community engagement could be more effective. Its lack of strong links with community interests limits the effectiveness of the Community Planning process. This can be improved through the further development of local area partnerships and community forums.
- 6.** The council has effective human resource (HR) arrangements for personal appraisal and development, training, communications, and is committed to Investors in People (IiP). However, sickness absence rates have been poor for a number of years, and staff morale is not good. The council is in the early stages of developing workforce planning but does not have an overarching HR strategy to provide a more strategic approach to managing its people.
- 7.** The council became the subject of close scrutiny in the late 1990s as a result of mismanagement in its building services and roads and transport operations, which led to significant financial losses. The partnership arrangements established

by the council in response to the crisis have delivered financial returns for the council and met most performance targets. There has however, been a deterioration in the housing repairs service in 2007.

8. Evidence from the Residents Survey indicates that customer satisfaction with council services and its approach to customer care have improved significantly in recent years. Service performance is generally improving and the rate of improvement is above the Scottish average. Challenges remain however, and in some areas improvement is being made from a low starting point. The council is aware where service improvement is needed most and should pay particular attention to improving S3 – S6 secondary educational attainment and pupil attendance, services for homeless people, housing allocations, housing repairs, library services and waste recycling.

9. There have been many developments over the preceding years and, while there are indications of a positive direction of travel, the full impact of the council's more recent efforts cannot yet be demonstrated. The council is aware that it now needs to focus its energy on refining and implementing its improvement agenda to support the customer-focused culture, which will help it to deliver best value for the people of North Lanarkshire.

Part 1. Does the council have clear strategic direction?



North Lanarkshire Council faces a number of challenges in addressing the legacy of deindustrialisation and the social deprivation associated with the area. The council and its partners have a clear and ambitious vision which reflects this context and benefits from clear and consistent leadership and strong commitment from members and officers. The council can strengthen the effectiveness of Community Planning by improving its approach to community engagement and reporting more effectively the impact of partnership work.

The council has an ambitious and wide-ranging change agenda and can demonstrate that it has delivered improvements.

North Lanarkshire

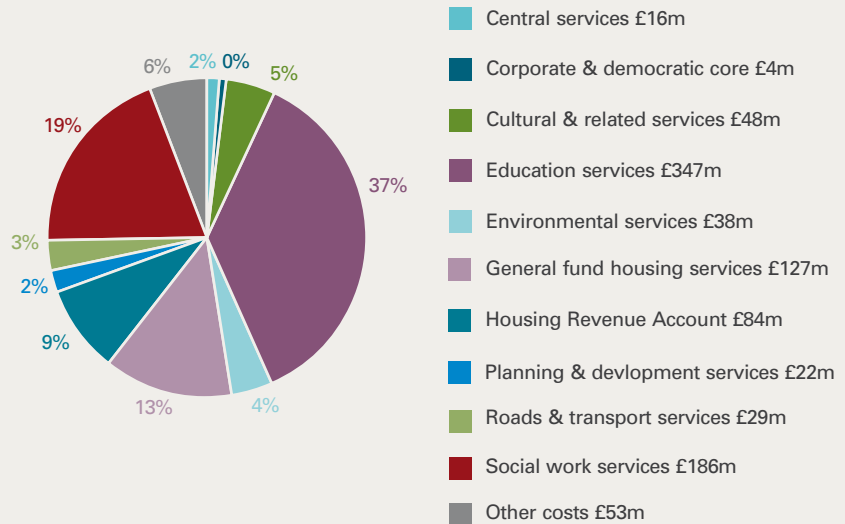
10. North Lanarkshire is located in central Scotland with a total area of 470 sq km. It borders East Dunbartonshire, Falkirk, Glasgow, South Lanarkshire, Stirling and West Lothian. There are good road and rail transport links including Scotland's rail freight link to Europe at Eurocentral.

11. The major towns in North Lanarkshire are: Airdrie (population 35,850), Bellshill (20,510), Coatbridge (41,280), Cumbernauld (51,300), Kilsyth (9,950), Motherwell (30,520) and Wishaw (28,840).

12. The population of over 323,000 is the fourth highest in Scotland. Population projections to 2031 predict an overall increase of 3.7 per cent. There is a projected drop of 7.6 per cent for the school age group, a 0.3 per cent drop for the working age group, and an increase of 31.3 per cent in the pensionable age group. Within the Glasgow and the Clyde Valley joint structure plan 2006, the council and its partners identify Cumbernauld, Gartcosh, South Wishaw and Ravenscraig as areas of urban renewal and community growth which, if realised, will further increase the population of the area.

Exhibit 1

Gross service expenditure 2006/2007 (£ million)



Source: North Lanarkshire Council income and expenditure account for year end 31 March 2007

13. The 2001 census showed that 1.3 per cent of North Lanarkshire's population is from an ethnic minority, which is lower than the Scottish figure of two per cent.

14. The main employment sectors in North Lanarkshire used to be coal mining, steel and heavy engineering. Currently, the main sectors are public services, retail/catering, manufacturing, financial/business services and transport/communications. The gross weekly earnings in 2006 were £423, below the Scottish figure of £432.

15. The percentage of working age people who were classed as 'employment-deprived' in 2006 was 16.5 per cent, compared with 12.9 per cent for Scotland, placing North Lanarkshire fifth highest nationally. The percentage of the total population who are income deprived was 16.7 per cent, compared with the Scottish figure of 13.9 per cent, making the area the sixth highest for income deprivation in Scotland. The total unemployment rate for those aged 16 and above for North Lanarkshire is 6.2 per cent compared with 5.2 per cent for Scotland.

16. The area has suffered from deprivation resulting from the decline

in its traditional industrial base. North Lanarkshire has 84 data zones that fall into the 15 per cent most deprived in Scotland. This is the second highest in Scotland and equates to 8.6 per cent of the national share. The scale of deprivation presents challenges for the council and has a significant influence on its priorities and service delivery.

17. The area has suffered from a negative image in recent years as a result of deindustrialisation, most notably the closure of the Ravenscraig steelworks. The council was also subject to significant scrutiny as a result of failings in its former building and roads Direct Labour Organisations (DLOs). Mismanagement led to net deficits in 1997/98 (£4.5 million) and 1998/99 (£0.74 million) and this was the subject of two statutory reports by the Controller of Audit in 1998 and 1999. The council responded by entering into public-private partnership (PPP) agreements, which are covered in more detail in paragraphs 105 to 107.

North Lanarkshire Council

18. Gross expenditure in 2006/07 was over £954 million ([Exhibit 1](#)) and the spend per head of population was £2,947 compared with the Scottish

average of £3,104, the 12th highest in Scotland. In 2007/08, band D council tax is £1,098, compared to the Scottish average of £1,149, making it the eighth lowest in Scotland. The average weekly council house rent is £45.65, below the Scottish average of £46.11.

19. The council has 14,549 full-time equivalent employees (FTEs), the fourth largest in Scotland. The number of FTE staff per 1,000 head of the population is 44.9, which is just above the Scottish average of 44.7.

20. There are 70 councillors in 20 multi-member wards, 25 of whom were newly elected in May 2007. The political make-up is: Scottish Labour Party (40 members), Scottish National Party (23), Scottish Liberal Democrat (one), Scottish Conservative and Unionist (one), Independent (four) and Cumbernauld Independent Councillors' Alliance (one). The council has a Labour majority administration, one of only two councils in Scotland with clear majority control.

Political and management arrangements

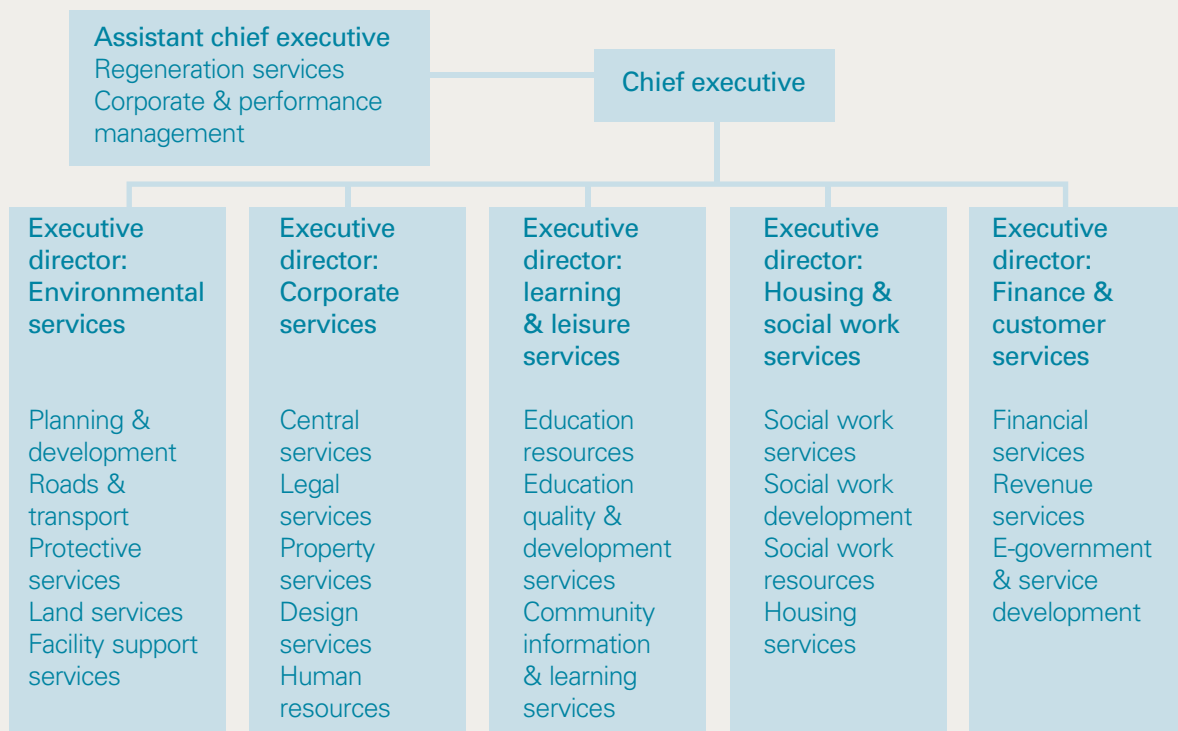
The council has sound political and committee structures. It has rationalised its management arrangements in line with the Service and People First improvement programme, though it is too early to say how well these new arrangements work.

21. Between 1996 and 2000, the council's management structure comprised the chief executive, two assistant chief executives and nine service departments, each led by a director. The council moved to seven departments in 2000.

22. The council has an ambitious change management improvement programme called Service and People First. The five-year programme was agreed in November 2006 and has three main elements: efficiency, workforce development, and organisational culture. As part of this programme, the council

further rationalised its management structures with effect from April 2007, which reduced the number of departments from seven to five and heads of service from 23 to 21. The new arrangements ([Exhibit 2](#)) are designed to ensure executive directors are more focused on corporate issues rather than service management, heads of services are more empowered, and that structures are more flexible to allow better working within the Community Planning process. It is too early to say whether these objectives are being achieved, but the early indications are that the Corporate Management Team (CMT) has an increasingly strategic and corporate agenda and is working effectively as a team.

Exhibit 2
Management structure



Source: North Lanarkshire Council

23. In May 2007, the council's committee structure (**Exhibit 3**) was also rationalised to align more closely with the new management arrangements. The three service groupings of environmental, learning and leisure, and housing and social work services, along with regeneration services, have their own committees, while three subcommittees of the policy and resources committee deal with strategic management of the council's resources (finance and customer services; property; and HR). The council also uses a scrutiny panel and an audit and governance panel to review, monitor and scrutinise performance and risk management.

24. Local area committees have traditionally dealt with matters of local concern and have some scope to propose projects resourced by local budgets. Their relationship with the Community Planning process was developed in 2005 and they work

well with local area partnerships (LAPs), which also involve Community Planning partners. The committees meet immediately after the LAPs to consider the recommendations made by the LAPs. In practice, the committees largely approve the recommendations as all of the members of the area committees are also members of the corresponding LAPs. This arrangement provides an effective mechanism for the council's democratic processes to support the work of the local partnerships and enable business to be carried out in a timely manner.

25. Committees reflect the political make-up of the council as a whole and meet on an eight-weekly cycle. They provide good strategic direction and scrutiny of their respective service departments. Committee meetings work well, and there is good interaction between elected members and officers. Committee agendas

are well structured but long, and this means that there is a risk that all of the items are not fully considered. The council should consider whether the relative volume of strategic, operational and routine business dealt with by committees adequately reflects its strategic agenda. Although the scheme of delegation between members and officers is revised annually, there is scope for the council to consider a more strategic review of the scheme to reflect the increasingly strategic agenda being promoted through Service and People First.

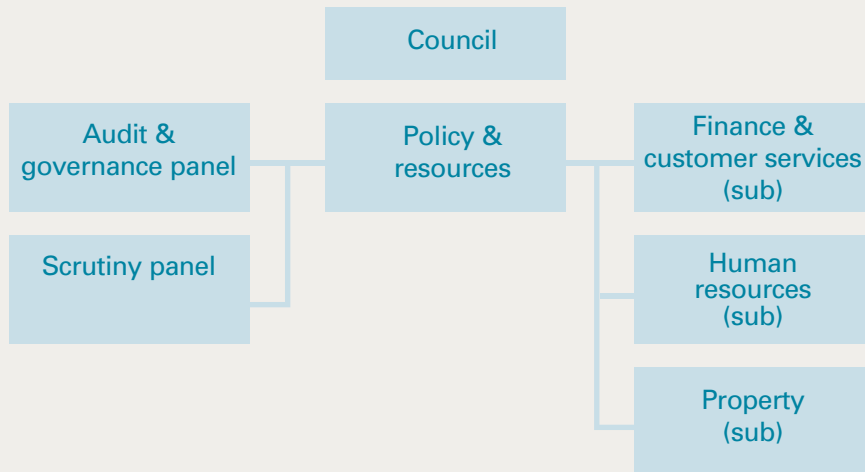
Vision

The council and its strategic partners have a clear vision for the area which is articulated in strategic plans.

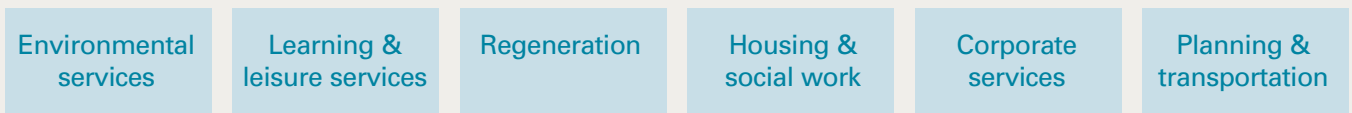
26. The council has a good understanding of the area and of the challenges and opportunities that it faces. The vision for the area

Exhibit 3

Political management structure



Service committees



Local area committees



Source: North Lanarkshire Council

is set out in the North Lanarkshire Partnership Community Plan ([Exhibit 4](#)). The vision was developed in 2003 and the draft community plan was informed by extensive consultation in 2004 which involved a questionnaire circulated to every household in the area and consultation with voluntary organisations.

27. The community and corporate plans are consistent with each other, and the council and its partners propose that the new versions of the plans covering the four-year period from 2008 will share five strategic themes: regeneration, health and well-being, environment, lifelong learning, and developing the organisation.

28. The priority themes in the current corporate plan are:

- stimulating business and the economy
- promoting social inclusion
- encouraging lifelong learning
- promoting health, well-being and care
- improving housing and the environment
- promoting community safety and development
- developing the organisation.

29. These priority themes have been the basis of more specific initiatives. For example, under the 'stimulating business and the economy' theme, the council and its partners have invested in the development of Ravenscraig and the redevelopment of the town centres in Airdrie, Coatbridge, Bellshill, Motherwell, Wishaw, Kilsyth and Cumbernauld. There is a strong consensus among elected members on what the main priorities are for the area and these are reflected in the community and corporate plans. Debate tends to be on the detail of how a priority might be met rather than what the

Exhibit 4

Community plan vision to 2015

Our vision: In 2015, North Lanarkshire will be a place where:

- people want to live because of the range, quality and affordability of the housing available, the safety of our communities, the quality and accessibility of the natural environment, and the quality of amenities and services in the area
- people live well because the health, well-being, and life chances of its people are as good as those elsewhere in Scotland
- people choose to work because of the range and variety of quality employment opportunities in the local economy
- people choose to do business because support for new and existing businesses, business sites, the transport network, and the quality of workforce are second to none in Scotland
- people participate in learning at all ages and stages of life, and achieve their full potential
- all people have a fair chance in life and where factors that presently limit some people's opportunities and prospects are overcome
- children and young people are safe, nurtured, healthy, achieving, active, respected, responsible and included.

Source: *North Lanarkshire Partnership Community Plan 2004/08*

priorities are. For example, under the 'encouraging lifelong learning' theme there is agreement on the importance of improving the school estate and much of the debate has been on how the investment should be funded.

Leadership

Elected members and officers provide clear and consistent leadership. Members should make more use of the training opportunities offered to them to support them in their role.

30. There is an effective working relationship between elected members and officers, which has helped to provide a clear strategic direction for the council. It has also meant that the council has been able to respond to challenges and make progress on its strategic initiatives. This can be seen in the way the council responded to the major problems with the DLOs; improvements made to the school estate; supporting regeneration

in North Lanarkshire; securing agreements on equal pay and single status; and ongoing organisational change through the Service and People First improvement programme.

31. The council leader has a high profile both nationally, as leader of the Labour Group at COSLA, and locally, and demonstrates a clear commitment to the area and improving council services. The leader of the minority group is also the leader of the SNP Group at COSLA. The chief executive provides effective leadership, has a strong focus on improving corporate working across the council and demonstrates a very strong commitment to the area and the council. In November 2007, the chief executive was elected as chair of SOLACE in Scotland and several other senior officers hold nationally recognised positions within their specialist fields.

32. This commitment is mirrored within the CMT. Management team

Exhibit 5

North Lanarkshire partnership structure



* The structure and composition of programme planning groups is currently being reviewed

Source: North Lanarkshire Council

meetings have an increasingly strategic agenda, a corporate approach and a focus on key issues for the council, continuous improvement and service performance. Although the current CMT was formed on 1 April 2007 following the service restructuring, all of its members have been with the council for some time and are respected by members and other officers.

33. The council recognises that investment is needed to build and sustain leadership capacity and it has established a wide range of development programmes and training opportunities for members and officers. The benefit of this investment will only be fully realised if people take up the opportunities offered to them. Officer participation in training has been good, but the take-up by elected members has been less consistent. In May and June 2007, the council ran six induction events for new members, but attendance by new members ranged between 16 and 44 per cent. The attendance at other training events, for all members, held in September, has also been disappointing, with attendance ranging between 12 per

cent and 37 per cent. It is important that elected members have the appropriate knowledge and skills to fulfil their role effectively, and members could make more effective use of the training opportunities open to them.

Community Planning and partnership working

There is a long record of partnership working in North Lanarkshire and the council provides strong leadership of the Community Planning process. The impact of the North Lanarkshire partnership could be measured and reported more effectively. The role of the local area partnerships is developing. The community planning process requires stronger engagement with community interests and voluntary and private bodies.

34. North Lanarkshire Council and its Community Planning partners have a long record of effective partnership working, with the North Lanarkshire Partnership having been established in 1997. More recently, the partnership was involved in pilot work with the

Scottish Government in developing single outcome agreements.

35. The structure of the partnership is shown in Exhibit 5. It is governed by a board of senior representatives from partner agencies. The partners on the board are: North Lanarkshire Council, Communities Scotland, the Consortium of Further Education Colleges, the Council for Voluntary Services – North Lanarkshire (CVS-NL), Jobcentre Plus, NHS Lanarkshire, Scottish Enterprise Lanarkshire, Strathclyde Police and Strathclyde Fire and Rescue.

36. The council provides strong leadership on the partnership board through the council leader and the chief executive. Most partners are positive about the council's leadership, and the draft community plan for 2008-12 shares the same themes as the council's draft corporate plan. However, some partners have expressed concerns about how inclusive the process of developing the new community plan had been. The partnership must therefore satisfy itself that the plan accurately reflects the objectives of all partners to ensure

that there is widespread commitment to achieving the objectives articulated in the plan.

37. The current community plan covers the period 2004-08, set within the longer-term vision to 2015. The plan is organised around five strategic themes, each of which has more detailed aims and objectives and an action plan:

- Health, well-being and care.
- Community safety.
- Learning through life.
- Jobs, business and the economy.
- Housing and environment.

38. Each of these themes was previously supported by a 'programme planning group' consisting of officers from various partner agencies. These groups were in abeyance while the partnership considered the best way of ensuring effective planning at thematic level, although, at an operational level, other groups below these themes continued to meet and bring together partners. The council and its partners recognise the need to ensure that the new community plan is properly supported and that momentum is maintained.

39. Partnership working has had a fairly positive impact across the five strategic themes of the community plan. [Exhibit 6](#) demonstrates positive progress in relation to health and well-being.

40. Challenges remain for partnership working, for example in relation to community safety. [Exhibit 7](#) outlines the partners involved, the concerns of local people and examples of local initiatives which seek to tackle the issues.

41. The partners have worked well together in the Community Safety Partnership (CSP) for example, with the Antisocial Task Force, but there are concerns about leadership, coordination, better intelligence monitoring and more focused targeting of resources. There is not a consensus on strategic direction or performance outcomes. The

Exhibit 6

Health, well-being and care

The council's social work, housing and education services work in partnership with NHS Lanarkshire to improve the quality of life for many local people. Within the context of Community Planning, council services and NHS Lanarkshire have developed their working relationships and moved into other areas of joint working to meet specific needs. The partners recently agreed new joint governance arrangements to improve integrated outcomes for service users.

Examples of joint initiatives involving the council and NHS Lanarkshire include:

- The joint equipment and mobile fitting service has reduced waiting times since 2002, with 90 per cent of standard stock now provided within seven days.
- Integrated day care supports older people to live longer in their own homes.
- The 'Health and Homelessness' project, enabling homeless people to access health and care services, recorded an increase in referrals from 598 in 2004 to 916 in 2006.
- The 'bodycheck bus' carries out an average of 1,500 health checks each year, referring 25-30 per cent of those seen to their GP or other programmes.
- The rapid response service helps to prevent hospital admissions and speeds up people being discharged from hospital.
- All North Lanarkshire schools have achieved health-promoting status.

Source: Audit Scotland

Exhibit 7

Community safety

The CSP is part of the community planning partnership's extended structure, feeding in information about priorities and reporting on progress. The partnership includes: the council; Strathclyde Police; Strathclyde Fire and Rescue; NL CCTV Ltd; and the Antisocial Task Force.

In the Residents Survey 2006, 64 per cent of those who responded considered antisocial behaviour to be 'very important', while only 47 per cent felt it was being handled well locally. Sixty per cent of those responding considered improving public safety to be 'very important'. Antisocial behaviour and improving public safety also featured high on the lists of community issues raised by residents in all six local partnership areas.

The CSP has pursued numerous effective initiatives and projects over the years including the centralised CCTV monitoring unit, school-based seminars on drug and alcohol abuse, 'safer homes' projects and others such as those to highlight the dangers of 'bogus workmen'.

Source: Audit Scotland

North Lanarkshire partnership board should consider reviewing the CSP's fundamental objectives and the roles of its associated subgroups.

42. The North Lanarkshire partnership needs to report more effectively its progress against intended outcomes. It produces a detailed annual performance report setting out progress across a range of activities, but these tend to be process-oriented with little reference to what extent intended outcomes set out in the community plan are being achieved. As a result, it is difficult for the partnership to assess its overall impact. The report also presents a suite of indicators which illustrate how North Lanarkshire compares to Scotland as a whole across a range of measures covering employment, deprivation and health. These are useful, but need to be more clearly linked to the partnership's objectives.

43. The partnership has recognised that it would benefit from a more effective working relationship with the voluntary sector. A Voluntary Sector Strategy was launched in February 2007, with a detailed action plan designed to improve engagement between partnership agencies and the voluntary sector and to help build the capacity of the sector. A voluntary sector with greater capacity and input into the process should help enrich Community Planning at board, local area partnerships and community forum levels. The partnership should also consider ways of engaging the business community in Community Planning, which is relatively underdeveloped at present.

44. A network of six LAPs was established in 2005 to develop the Community Planning process at local level. The LAPs correspond with the areas covered by the council's six geographic local area committees. Although the LAPs have set terms of reference, their activities vary considerably and there is scope for more consistency in some aspects. For example, our observations suggest that the quality of their scrutiny of partner agency services varies considerably.

45. The LAPs are however, still in the early stages of development and their impact so far has been limited. There is consensus on the potential for LAPs to increase the local accountability of services provided by the council and partners, but it is less clear what this will mean in practice. Neighbourhood development plans for each LAP are being developed to set out service improvements for each area, but information on the performance of services at local level is limited and inconsistent. Given this lack of information, it is unclear what influence the LAPs can have in service priorities or the allocation of resources at a local level.

46. The council has allocated resources to support the local arrangements. It has, for example, combined budgets in a two-year local development programme which has seen £2.3 million spent across all LAPs on 104 local environmental, physical and community safety projects. The council has also appointed local regeneration managers to support the LAPs. There are also local area teams which bring together officers from council services and partner agencies to help encourage partnership working among services at a more local level, but their role in increasing local accountability is less clear.

47. LAPs include a small number of representatives from community forums, comprising representatives of various community groups including community councils and largely corresponding with the areas covered by LAPs. The forums' input to the LAPs varies widely and the engagement of communities in the work of both the forums and the LAPs is not yet clear or consistent. This will limit the effectiveness of Community Planning if not addressed.

Community engagement

The North Lanarkshire partnership has agreed a community engagement strategy. The level of community engagement in Community Planning needs to be developed and community forums need more support. The partnership needs to demonstrate

greater commitment to applying the national standards for community engagement. There is some good consultation with service users, but the arrangements for wider community engagement could be more effective.

48. The partnership has identified community engagement as a priority within the Community Planning process. In 2004, the partnership commissioned a review of community engagement but the final draft Community Engagement Strategy (CES) was not approved until September 2007. The strategy is helpful in explaining initiatives and approaches, but it is light on roles, timescales, resources, outputs and outcomes. The strategy does however, commit the partnership to adopting and implementing the national standards for community engagement which were launched in 2005. Partners, councillors and officers need to be more aware of these standards and demonstrate greater commitment in applying them.

49. The CES action plan aims to give community forums a 'key role in coordinating the involvement of local community groups in the decision-making process' of Community Planning. Given the limited resources of the community forums, they will need support in building community capacity and developing this role in accordance with the national standards for community engagement. The council has appointed six community engagement officers to support the forums and help them to represent and reflect the needs and views of their communities.

50. There are good examples of council services engaging well with their service users. Most services consult their customers, but some – such as learning and leisure, and housing and social work – go beyond this with techniques that are focused, sensitive and well managed. As a result, they are more likely to elicit good information about users' needs and wishes and act on it. Positive examples include: the Carers Strategy and the 'Voice

of Experience' in social work; the Childcare Partnership and School Closure consultations in learning and leisure; and the Disability Discrimination consultation by the Equalities Working Group. Tenant participation in housing services (Exhibit 8) also provides an example of effective engagement.

51. The council and NLP use a variety of methods to consult with many different communities for a range of purposes. Some consultation is managed by the council corporately, such as the Residents Survey, and some are managed on behalf of the NLP for example, the citizens panel. The most recent Residents Survey was carried out by Market Research UK in 2006, and included interviews with 3,019 people in their own homes about council services and community issues. The council attaches great importance to this feedback and uses it in reviewing priorities and deciding on themes for citizen panel consultations. The citizens panel was introduced later in 2007 and will provide the partnership with representative views on particular themes.

52. The council's corporate consultation strategy is informative and includes helpful guidance about what consultation is and how it should be done. However, at present there is no system to ensure that all services follow this guidance. The new schedule of consultations system aims to coordinate and manage the large volume of consultations, although it is not yet fully operational.

53. The council's website offers opportunities for local people to read about and comment upon future plans and policies. However, the quality and clarity of information and the arrangements for monitoring the consultation timescales are not consistent across all consultation exercises.

Exhibit 8 Tenant participation

The housing service provides the most consistent and coherent approach to active community engagement, with a tenants participation strategy and action plan, newsletter, annual conference, network of tenants and residents groups, regular meetings, surgeries, estate 'walkabouts' and a good practice guide. This means that tenants are not just informed or consulted, but engaged in service development. In the 2007 survey of tenants, 87 per cent of those who responded (about 2,500 households) were satisfied or very satisfied with the council as their landlord; an increase of 12 per cent on the previous year.

Source: Audit Scotland

Accountability and openness

The council has demonstrated a commitment to openness and accountability in the way that it carries out, and reports on, council business and performance. The council's newspaper, *North Lanarkshire News*, would benefit from taking a more balanced approach to service performance reporting.

54. The council has procedures and policies to promote good governance and accountability, including codes of conduct for councillors and chief officers, procedures about gifts and hospitality, and a whistle-blowing policy. Five investigations have been carried out by the Standards Commission for Scotland since 2004 and all found that members had not contravened the code of conduct.

55. Committee agendas and reports are readily accessible via the council's website and are scrutinised and debated in public by elected members.

56. Around the time of local government reorganisation in 1996, the council and its predecessor authorities suffered from perceptions of factionalism and bias towards certain geographic areas. We found no evidence that this is now the case, and representation on committees and appointments to key roles fairly reflects the political composition of the council and the geography of the area.

57. Some community representatives and elected members have raised

concerns about the equality of service provision across the area and there are perceptions that some areas do not get their 'fair share'. From the information available to us we found no evidence of inconsistency or inequity in the level and quality of services across LAP areas. Improved reporting on the use of resources and service performance at local level may help to address perceptions of inequality.

58. The council publishes a wide range of performance information. The council's *2006/07 Performance Report* was launched in September 2007 with an event for Community Planning partners and council employees to announce its publication. The report sets out the council's targets and actual performance, identifying whether or not targets were met. The report and the performance plan for 2007/08 are also available on the council's website.

59. The council newspaper *North Lanarkshire News* is published three times a year; a proposal to move to monthly publication was approved by the council in December 2007. The publication covers council-wide issues and is produced in local editions which contain sections specific to each of the council's areas. The newspaper provides information about the council's activities and those of partners such as NHS Lanarkshire. The tone of the newspaper accentuates positive messages about service performance; the coverage of areas requiring improvement is more limited.

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



The council has good arrangements to support service delivery and continuous improvement. These include business planning and performance management, financial management, asset management, risk management, procurement and ICT. The council's customer care arrangements have led to improved customer satisfaction. These arrangements provide a solid foundation for further service improvement.

Improvements are needed however, to the way the council manages its HR and staff absence in particular.

The council has an ambitious and wide-ranging improvement agenda, though there is scope for it to articulate, prioritise and coordinate its improvement activity more effectively to ensure that it can meet its objectives.

Business planning

The council has an effective approach to business planning, with a good degree of integration between community, corporate and service planning and budgeting processes. Service improvement plans could better illustrate how resources are deployed.

60. There is good integration between community, corporate and service planning and budgeting processes. The business planning framework is well developed and helps to ensure that the respective roles of officers and elected members are clear and widely understood. The council is currently further integrating the 2008-12 community and corporate plans.

61. Each service has a service improvement plan (SIP), which links with the corporate plan and sets out proposed improvements for each service (Exhibit 9).

Exhibit 9

Content of service improvement plans

Section heading	Contents and purpose	Responsibility
Overview	<ul style="list-style-type: none"> Setting the service improvement plan in the context of our corporate and Community Planning processes. Highlighting operational context and any significant factors anticipated to impact on the service. 	Executive director
Improvement actions	<ul style="list-style-type: none"> Individual services will identify no more than five improvement actions which will be undertaken (either wholly or in part) during the course of the year. Improvement actions will be informed by a number of drivers for change including the performance management portfolio, new legislation, efficient government and the shared services agenda. Improvement actions will demonstrate that proper consideration and adequate arrangements have been incorporated to address key processes including risk management, asset management, equalities and sustainable development. Improvement actions must be output based with the capacity to demonstrate measurable achievements, improved service delivery or quality and cost-efficiency gains. 	Head of service
Key actions	<ul style="list-style-type: none"> Key actions will summarise the operational workload for each service and will be reprioritised as an internal operational management tool. 	Head of service
Performance review of improvement actions	<ul style="list-style-type: none"> Performance monitoring will be further strengthened with analysis of previous year's actual performance and mid-year review of current performance used to inform the following year's targets. 	Head of service
Efficiency savings and cost of service provision	<ul style="list-style-type: none"> Identify efficiency savings for 2008/09 in line with the approved financial plan. Identify CSP pressures 2008/09 to 2010/11. 	Executive director

62. Service improvement plans lack information about resources committed in each service, though resource information is available from other sources such as revenue expenditure monitoring reports to service committees. The council is now developing more detailed plans at the head of service level which will provide an opportunity for resources to be linked more closely to core services.

63. The council has a well-established performance review and development (PRD) process, which provides a good link between individual employees and service planning processes.

Managing performance

The council has sound performance-management arrangements and these are improving with the introduction of performance portfolios. The performance portfolios highlight trends in performance and have helped the council identify issues and take remedial action where required. There is scope for this process to improve further across the organisation by using more outcome-focused performance measures and refined targets and thresholds.

64. Historically, the council had different performance management arrangements and measures in place across departments which were reported in a variety of formats. The information allowed performance monitoring, but the varied approach meant that the arrangements were not consistently effective for managing performance on a day-to-day basis. The council developed its first performance management framework in 2000 and refined it in 2005/06. During 2006/07, the council set up a Service Improvement Team which has been tasked with developing performance management information and systems, and the council is moving from collecting information towards ensuring that information is used actively to manage performance.

65. The service improvement team has helped services develop a new performance portfolio approach. The portfolio includes a range of standard information under the headings of financial information, audits and reviews, and quality measures, as well as service-specific performance measures and details of any benchmarking activity. The service-specific performance measures consist of the relevant SPIs, as well as measures covering key performance areas including financial and staffing matters and customer satisfaction. These are reported in a consistent format to committees on an exception basis, and explanations and remedial action plans are provided where performance is over- or under target. For example, the quarterly exceptions report to the housing and social work committee in December 2007 included indicators where performance was not meeting target and also highlighted what was being done to improve performance. The report also tracked performance against targets. The council plans to link the performance portfolios with the service improvement plans and the corporate and community plans.

66. In addition to monitoring performance at committee level, the council's Scrutiny Panel has a role in monitoring the performance of the council as a whole. The panel receives a quarterly report detailing performance against target for all of the SPIs. The council plans to use the performance portfolios to extend the service-specific measures available to the panel during 2008/09.

67. The council has recently started the process to procure a performance management system which would allow managers real-time access to performance measures. The Service Improvement Team is also working closely with corporate working groups throughout the council to review and rationalise the amount of information collected.

Scrutiny

Members scrutinise performance in service committees and in the Audit and Governance and Scrutiny Panels. The process by which the Scrutiny Panel identifies and prioritises its work is unclear, particularly in relation to the scrutiny of strategy and implementation of policy decisions.

68. Members of committees and subcommittees take their roles seriously and officers are regularly subject to constructive challenge on the information presented to committees.

69. The Audit and Governance panel meets in public and has a remit to consider and act on the work of internal and external auditors and the risk management arrangements within the council. The panel's work is focused and provides effective challenge to officers, in particular through the consideration of internal audit recommendations and management responses. If a report identifies a particular control weakness, or if the management response to a recommendation is not considered appropriate, the panel asks for further details from the officers concerned and receives reports on progress in addressing recommendations made.

70. The Scrutiny Panel also monitors the performance of services. However, the remit of this panel now covers work previously performed by two scrutiny panels, concerning strategy and implementation and service delivery and performance. The remit is very wide and, while the scrutiny of service performance is effective, there has been little evidence to date of the panel scrutinising strategy or the implementation of policy decisions. The panel can identify areas it wishes to review in more detail or can consider matters referred by service committees, but the process for prioritising these reviews is not clear.

Continuous improvement

The council has an ambitious and wide-ranging change agenda and displays many of the elements of a continuous improvement culture. It is not clear that all of the improvement activity is managed in an integrated way as part of an overall transformation programme. There is scope for the council to prioritise, coordinate and articulate its improvement agenda more effectively to assure itself that the various strands of work are being done in the most efficient way. This also will help the council ensure that it has sufficient capacity to support long-term change and improvement and deliver core services.

71. The council demonstrates many elements of a continuous improvement culture, and there is a lot of improvement activity across the council. For example, the council has carried out over 70 different types of review, including scrutiny panel review and external assessments since 2002. These have contributed to efficiency savings and service improvements. In November 2006, the council put in place an ambitious change management programme, Service and People First. This five-year programme has three main elements: efficiency measures, workforce development and organisational culture. The first year of the programme has centred on efficiency, and the council is currently considering how it will take forward the other two elements. The programme has an underlying aim of freeing up resources to support and improve frontline and priority services, but plans are less clear on what this means in practice.

72. Through Service and People First, the council aims to generate efficiency savings of £50 million over five years from 2007/08. As part of the 2008/09 budget process, the council reported £11.8 million of efficiency savings for 2007/08. Of the proposed £10 million savings for 2008/09 (approximately 1.6 per

cent of the net revenue budget), 70 per cent are to be found at the corporate level in areas such as absence management (£1 million), procurement (£1.5 million), property management (£1.5 million), service rationalisation and restructuring (£3.1 million) and income generation (£0.253 million).

73. The proposed activity beyond the first two years is less clear, although the council is developing a three-year 'efficient council plan' which will help to articulate how these savings will be achieved. Senior officers are starting to identify options such as joint management or shared services as ways of delivering efficiencies. This thinking needs to include an assessment of the implications of Service and People First on the Community Planning agenda. Although there is a commitment to consider shared back-office services with other public agencies, there are limited links in the Service and People First programme with the council's ambitions for increased local accountability of its services through Community Planning.

74. Service and People First has a high profile in the council, and senior officers and elected members are committed to the programme, but our consultation with staff indicates that its objectives and impact are less consistently understood in the wider organisation. Staff are committed to continuous improvement, but the impact of single status and job evaluation on staff morale may make this more difficult to sustain. The council should set out more clearly what it intends Service and People First to achieve in relation to workforce development and organisational culture to ensure that it maintains the commitment of its employees.

75. To date, the progress of Service and People First has been supported by the significant commitment of key staff, in particular senior managers. In addition, management restructuring has seen broader responsibilities

taken on by senior management. As the impact of Service and People First flows through the council this situation is likely to be mirrored at various levels of the organisation. There is a risk that officers cannot sustain an over-reliance on long hours, particularly where there are high levels of staff absence and low morale. A clearer understanding of the scope and the priorities of Service and People First would help the council assure itself that it has sufficient capacity to sustain the effort which will be required to support continuous improvement in the long term.

76. Beyond the immediate scope of Service and People First there are many other elements of an effective approach to continuous improvement. A programme of continuous improvement service reviews includes activity at both corporate and service levels. Each review has a series of objectives taken from a range of possible outcomes, including improved performance, productivity, customer satisfaction better value for money, cost reductions and efficiency gains. Reviews involve various activities including benchmarking, option appraisal, peer review and audits of previous reviews. The council has completed its 2006/07 programme which contained 28 reviews, ranging in size from benchmarking legal services with other councils to full best value reviews, for example of community learning and development. The council can demonstrate how service improvement actions from reviews are incorporated into business planning processes, though a lack of outcome measures mean that their full impact is more difficult to assess. These range from demonstrating comparatively good customer satisfaction levels (in the case of the legal services exercise) to substantial reconfiguration of the service (in the case of community learning and development).

77. The council has recently refreshed its approach to service reviews. A new rolling review programme is

being coordinated by a corporate Performance Improvement Group who will have a role in agreeing the scope of reviews, providing constructive challenge and monitoring progress.

78. Other continuous improvement activity includes:

- A series of business change reviews being led by e-government and service development in conjunction with various services. These reviews use 'lean thinking' methodology to help managers consider the redesign of their services from the customer perspective.
- Extensive Charter Mark and liP accreditation throughout the council's services. Sixty-five Charter Marks have been achieved across the council with a number of others currently being pursued; similarly the council has 23 liP accreditations covering a majority of services and a commitment to achieving full corporate accreditation.
- An annual corporate award scheme which celebrates service excellence in various categories.

79. The council can demonstrate its commitment to continuous improvement, but it could improve the way in which it coordinates and prioritises its improvement activity. The CMT receives regular progress reports on areas of improvement work, but it is not clear that improvement activity is considered as an integrated whole. With such a wide range of activity under way, it is important that the council assures itself that improvement work is being prioritised and coordinated effectively. It would also help the council to monitor the progress and impact of its range of improvement activities more effectively.

Managing people

The council has a sound approach to training and development and staff communications, and is committed to liP. Despite this, its staff absence record is poor and staff morale is not good. It is in the early stages of strategic workforce planning and does not have an HR strategy. A more strategic approach to managing people would more effectively support the continuous improvement agenda. The council would benefit from consolidating elements of its policies, service objectives and corporate strategies in an overarching HR strategy to link the management of people to its corporate aims more effectively.

80. The council has a comprehensive set of personnel policies and a range of effective people management arrangements, particularly in relation to training and personal development, communication and its commitment to liP. The council does not have a corporate HR strategy. The council says that its commitment to tackling equal pay issues and single status has reduced its capacity to progress workforce planning and develop its HR strategy. However, the absence of an overarching HR strategy means that there is a risk that the various elements of people management do not match the aspirations of Service and People First.

81. All services have either gained liP accreditation or are working towards it. The council has an effective performance review and development process (PRD), which helps employees and managers identify training and development needs and ensure linkages with business needs. Staff say that PRD coverage across employees and service areas is good. The new performance portfolios will report the percentage of staff with a formal personal development plan on an annual basis. The council has a management development programme which is

valued by participants. Managers and employees generally feel that they get good access to training and development opportunities. The 2007 staff survey (response rate: 24 per cent) showed that nearly four-fifths of respondents had participated in some form of training and development activity during the previous 12 months, and two-thirds felt that PRD was a useful method of support.

82. The council does not yet have a strategic approach to workforce planning. Progress in developing a strategy has been slow and remains at an early stage, but the council recognises that a more effective approach is needed to support its corporate objectives. A steering group, established under the executive director of environmental services, is developing an action plan.

83. Communications across the council are generally good. All employees receive a copy of the staff newsletter *Inside North Lanarkshire*, and core briefings are published on the intranet and shared through regular service-level staff meetings. The chief executive writes a monthly newsletter to chief officers, third-tier employees and elected members, which covers a wide range of topics, including updates on key priorities and projects and awards the council has received.

84. The council's record on sickness absence has been consistently poor. The SPIs covering craft employees and teachers have deteriorated over the past three years and both are ranked 28th out of 32 Scottish local authorities for 2006/07. There has been a small improvement in the absence rate of chief officers and non-craft employees over recent years, but the council was still ranked 30th in 2006/07. The issue has been one of significant concern for the council and it has developed and is continuing to develop action plans which include a range of measures designed to reduce absence rates.

85. In October 2007, the council signed a collective agreement with all three main trade unions on a single status package covering employee pay and conditions. The council had already carried out a job evaluation exercise which had resulted in around ten per cent of posts moving to a lower pay grade. These are known as 'red circle posts' and the council has committed to try and reduce them as part of Service and People First through various means, including redesigning and reconfiguring jobs. Nevertheless, evidence gathered from staff suggests morale is low. The 2007 staff survey shows that less than a third of employees who responded felt that the single status process had been beneficial to them. Only a quarter said they felt valued by the council as an employee, and only just over half considered the council a good place to work. This is clearly a challenge for the council.

86. The HR function is currently fragmented. The lead HR function lies within the corporate services department and there are also dedicated HR support functions in learning and leisure, environment and the housing and social work departments. The development of a corporate HR strategy would assist the council in ensuring that the HR function has clear direction and corporate objectives to guide its activity. In April 2007, the council re-titled the head of personnel as head of HR to better reflect the future direction of the unit in supporting organisational development. The corporate nature of Service and People First, and in particular its aspirations to improve workforce development and organisational culture, means that the council needs to develop HR arrangements that will be able to support change and continuous improvement.

Managing finance

The council's financial planning arrangements work effectively, and annual and longer-term financial plans are in place. Budget monitoring arrangements are sound and financial information is monitored regularly by the CMT and committees.

87. The council's financial plans are linked to the corporate plan through service improvement plans. Members are involved in the process through the budget working groups and committees, as well as the final approval process of submitting the financial plan to the policy & resources committee and the full council. The financial plans have been developed on a rolling three and four-year basis, and the council is developing longer-term plans covering a period up to ten years ahead. Budgetary control procedures are robust, and the monitoring arrangements include regular reporting to the CMT and committees.

88. During 2005/06, the council made provision of £23.5 million for costs expected to arise from backdated claims relating to equal pay. This resulted in a deficit on the general fund of £3.864 million. As part of its 2006/07 budget-setting process, the council budgeted for an in-year surplus on the general fund of £12.7 million, in order to recover the 2005/06 deficit and restore the general fund balance at the end of 2006/07 to £8 million, in line with the council's reserves policy. This was achieved.

89. The council's total capital budget for 2006/07 was £117.1 million. Actual expenditure exceeded this budget, as the council used additional receipts from the sale of assets to fund additional spending on improvements to the schools estate.

Managing assets

The council actively manages its assets and has developed a comprehensive capital planning framework to help it identify areas where capital investment is required and to prioritise those areas in line with corporate priorities. As a result, the council will be able to direct capital funding to projects that support the achievement of its corporate priorities.

90. The council has a large asset portfolio, valued at £1,794 million as at 31 March 2007. The council has a comprehensive capital planning framework for 2005-15 which has been developed in line with the corporate plan, and which reflects its corporate priorities. The framework includes a corporate asset management plan, a capital investing strategy and a capital investment programme.

91. The corporate asset management plan was approved in August 2006 and sets out the strategic framework for effective asset management planning. The plan has also been used as a basis for service level asset management plans.

92. In June 2007, the policy and resources committee agreed its capital investing strategy 2005-15. The strategy sets out a methodology for allocating available capital funding to the various potential capital projects while ensuring that a corporate view is maintained and that effective asset management arrangements apply consistently across the council.

93. The capital investment programme 2008/09 to 2011/12, also known as the composite capital programme, was agreed in October 2007. It clearly sets out how the council's objectives will be achieved by identifying capital projects and sources of funding.

94. The council has sound arrangements in place for monitoring asset management. Performance is monitored by the asset management corporate working group, which reports to the corporate resources working group. In addition, capital monitoring reports are produced by the executive director of Finance and Customer Services each month for the CMT and every eight weeks for the policy and resources (finance and customer services) subcommittee. Further scrutiny is carried out by service committees.

95. The council has been active in managing its assets. Over the last three years, the council has disposed of surplus property assets and generated capital receipts of over £50 million which have been fed through to the capital investment programme. The council's efficiency statement for 2006/07 also identified savings of £2.2 million arising from asset management, and the CMT has identified options for integrating and rationalising assets in the six local areas.

Managing risk

The council has sound risk management arrangements.

96. The council established its risk management arrangements in 2003 when a risk strategy was agreed and a risk management corporate working group was set up. Departmental risk registers were also established and the Audit and Governance panel was given the responsibility of monitoring risk management arrangements in 2005.

97. During 2006/07, the Audit and Governance panel reviewed each of the departmental risk registers and concluded that the level of detail varied across departments. The risk management corporate working group has identified a number of improvement actions, including training for officers during 2007/08 and a review of the effectiveness of risk management arrangements by internal audit. The corporate working

group, along with the CMT, also considered key corporate risks for 2007/08 and these were presented to the Audit and Governance panel in June 2007. Each of the corporate risks is allocated to relevant services for inclusion in their risk registers.

Managing procurement

The council's procurement arrangements are effective. The council seeks to demonstrate best value as part of its standard process for awarding contracts. Procurement is a key area targeted for efficiency savings and the council's procurement working group is responsible for identifying savings on an ongoing basis.

98. The council reported procurement savings of over £2.2 million in its 2006/07 annual efficiency statement. The council also has a procurement team tasked with identifying efficiency savings and which reported savings of £450,000 in the 2006/07 annual procurement report.

99. The council has invested to improve its procurement arrangements. This has included the creation of a corporate procurement working group, a communication programme of briefings for senior management teams, presentations to senior officers, training for over 500 officers and the early adoption of the 'e-Procurement@Scotland' technology to support the procurement process. The procurement working group meets monthly to oversee the implementation of the procurement strategy, agree priorities, identify areas for potential savings and promote good procurement practice.

100. North Lanarkshire is a founding member of the Authorities Buying Consortium and has senior officer representation on the steering group overseeing the transformation of the consortium into a centre of expertise called Scotland Excel. It is intended that this will allow all local authorities in Scotland to work together to achieve savings from procurement activities. The council

has also developed a procurement portal which allows suppliers to obtain information about procurement processes and tenders.

101. The council is working to implement the recommendations of the McClelland Report on procurement. According to its annual procurement report, published in May 2007, 79 per cent of the recommendations had been fully or partially implemented and the council reports that it is on target to achieve 'advanced procurement' status by March 2008.

Managing information communication technology

The council is effective in using information communication technology (ICT) as a strategic asset which is increasingly at the centre of the council's improvement agenda. The ICT service has undergone considerable change through reconfiguration and parts of the service are delivered through a service delivery partnership agreement put in place in January 2006. The council's ICT strategy is being updated to demonstrate how ICT will support the continuous improvement of core services.

102. The strategic use of ICT is increasingly at the centre of the council's continuous improvement agenda. Following a review in 2006, the council rationalised a number of separate ICT contracts into a single agreement, which has delivered an annual cost saving of £108,000. The partnership with the service provider supplies routine hardware and software support, and performance reports indicate that the contract operates well. The council is considering extending the partnership arrangements into other areas of the service.

103. In April 2007, the council brought together the ICT, business change and customer service functions into a new e-government and service development division in order to drive the necessary changes to support

service delivery and continuous improvement across the council.

104. The council recognises that its current ICT strategy, which predates the recent service reconfiguration and Service and People First, needs to be updated. This process is under way and should help provide clearer direction for the council in its use of ICT across all of its services and to identify how this will support its continuous improvement agenda.

Managing competitiveness

The council has effective arrangements in place to monitor the competitiveness of its commercial operations and reviews them on a regular basis. The PPP model introduced by the council to deliver services previously provided by the roads and building DLOs has worked as intended and is delivering financial returns to the council. However, there have been problems more recently with the housing and property services contract.

105. Following Controller of Audit reports and internal investigations into the financial performance of the council's Building and Roads Direct Labour Organisation (DLO) in 1999/2000, the council was urged by the Secretary of State for Scotland to submit these services to market testing. In response, the council entered into four public-private partnership (PPP) agreements in 2000/2001 to cover the services previously provided by the DLOs. The agreements run until 2010/11, and the four partnerships are:

- Amey Roads (North Lanarkshire) Ltd (ARNL) – roads and street lighting maintenance
- Maintenance and Property Care Ltd (MPC) – housing and property maintenance
- Saltire Facilities Management Ltd (SFML) – gas and solid fuel maintenance

Exhibit 10

Turnover and profits of the public-private partnerships

Financial year	Turnover (£)	Profit (£)	Profit as % of turnover
2001/02	42,377,000	2,712,000	6.40
2002/03	48,145,217	3,210,000	6.67
2003/04	53,407,000	3,747,600	7.02
2004/05	59,000,000	4,650,000	7.88
2005/06	64,263,791	4,626,188	7.20
2006/07	64,451,828	5,069,945	7.87

Source: *Public-Private Partnerships – Review of Operations 2006/07*, reported to Policy & Resources Committee in June 2007

- Walker Profiles Ltd (WPL) – window and door manufacture and installation.
- 106.** The council has effective arrangements in place for monitoring the performance of each contract using benchmarking information such as the Scottish Housing Best Value Network, and a balanced scorecard approach.
- 107.** In April 2007, a review of operational performance found that the PPP contracts had been consistently profitable throughout the period from 2001/02 to 2006/07, with profits and margins increasing (Exhibit 10).
- 108.** Concerns have been raised by tenants and housing services about the performance of the housing and property maintenance contractor (MPC), during 2007/08. The introduction of new working practices has resulted in tensions within the workforce, and customers are experiencing delays. The implications of these difficulties are covered in more detail in Part 3 of this report.
- 109.** The council has five statutory trading organisations (STOs) which cover cleansing, transport, building cleaning, grounds maintenance and catering. All of the STOs recorded a surplus in 2006/07. Building, cleaning and catering did not meet the statutory requirement to break even on a rolling

three-year basis as a result of a provision made in 2005/06 for backdated equal pay claims. The council carried out best value reviews of the STOs in 2006 and also uses a range of tools to monitor competitiveness including benchmarking through APSE performance networks and market testing, where, most recently, the cleaning service won the contract for the new PFI schools.

110. The financial performance of the STOs is monitored closely by the CMT and elected members. The projected results for 2007/08 reported to Policy and Resources (Finance and Customer Services) subcommittee in January 2008 show an overall surplus of £977,580 on the trading accounts.

Equal opportunities

The council has developed equality schemes covering race, disability and gender. It has also run some successful initiatives and invested in systems and processes to support the equalities agenda. However, progress has been limited overall. If the council is to mainstream equalities there needs to be clear leadership from senior officers and elected members. It should continue to develop a comprehensive set of outcome indicators to help focus its efforts and demonstrate impact.

111. In 2002, the council published its first Race Equality Scheme and all departments published their own race equality action plans. The current scheme covers the period 2005-08 and the council has worked effectively with a range of partners on race equality issues including:

- Working with representatives from NHS Lanarkshire, Strathclyde Police, Strathclyde Fire and Rescue Service, the Procurator Fiscal Service and North and South Lanarkshire Councils through a Race Equality Partnership. The partnership developed a new legal aid complainant service for Lanarkshire provided by the Ethnic Minority Law Centre (Glasgow) and Citizens' Advice Bureaux within Lanarkshire.
- Working with NHS Lanarkshire and South Lanarkshire Council to support the development of Lanarkshire Ethnic Minority Action Group. This acts as an umbrella organisation for black and minority ethnic communities in Lanarkshire.
- Working in partnership with the Home Office and the United Nations High Commission to deliver the 'Gateway Programme' to settle 20 families (80 people) who are refugees from the Democratic Republic of Congo. The council was the only local authority in Scotland to participate in the programme.

112. The council monitors the race equality scheme through its annual action plans. The last action plan was published in October 2006, but the lack of SMART measures means that it is difficult for the council to assess progress and impact.

113. In 2006, the council published its Disability Equality Scheme 2006/09. It updated the action plan and produced its first annual report in 2007. The report identified where progress has been made; for example, 17 adults with learning

disabilities moved to independent living in 2007, and there are now no people with learning disabilities living in council-run residential care. The report also highlighted challenges that remain, including the need for more training for frontline staff and a more consistent use of the equalities impact assessment toolkit across the council.

114. The council is making progress in involving disabled people in service planning. It involved the access panel in the consideration of the Ravenscraig plan, and holds evaluation days where disabled service users assessed the suitability of equipment and adaptations. However, the 2006/07 SPIs show that only 17.3 per cent of the council's public buildings are accessible to disabled people, compared to the Scottish average of 51.9 per cent. The council needs to address this in promoting disability equality in service delivery and employment.

115. In 2007, the council published its Gender Equality Scheme for 2007/10 and a draft equal pay policy. The council is currently above the Scottish average for the percentage of highest paid two and five per cent of earners that are women, ranking twelfth and fourteenth respectively.

116. The council plans to have a single equalities scheme by 2009, combining its existing race, disability and gender equality schemes to assist in mainstreaming equalities throughout the organisation.

117. The council is supporting the promotion of equalities in a number of ways. It has developed a diversity training framework to identify training needs for specific groups. Training opportunities offered for staff and elected members include: induction welcome packs, briefings, seminars, online training and workbook training for those without access to computers. Approximately 5,700 employees have undertaken induction and equalities training and this represents around 32 per cent of the workforce. The council needs to ensure that staff and

elected members take up the training opportunities it provides.

118. The council has also developed an equalities toolkit to identify the impact of policy and service delivery. The toolkit identifies what consultation took place, what issues were raised and what the council intends to do. As a result, over 60 impact assessments are published on the council's website.

119. The council established an equalities corporate working group, led by the head of community information and learning, to drive forward the equalities agenda. The progress made by the equalities corporate working group in 2007 has been limited. The council recognises that to mainstream equalities there must be the support of elected members, a greater take-up of training and the need to demonstrate the effectiveness and impact of its efforts by developing a clear set of outcome-based measures.

Sustainable development

Although the council is making progress, further action is needed to successfully mainstream sustainable development. The sustainable development statement provides a sound starting point and the global footprint, eco schools and energy conservation projects are positive moves. The council's recycling rate is below the Scottish average, but has improved significantly in recent years. The council needs to improve its performance management arrangements in this area and provide resources and senior leadership to support sustainable development.

120. Prior to 2005, the council's approach to sustainability was disjointed. In 2005, the council set up a Sustainable Development Working Group (SDWG) and made a commitment to 'mainstream the wider definition of sustainability into service development and delivery'. The working group was charged with bringing a corporate focus to this challenge, as well as developing and

coordinating strategic, service level and operational activities.

121. The SDWG has made some progress in raising awareness and improving coordination. But its success has been limited by a lack of resources for publicity and awareness-raising, and the absence of leadership and commitment at senior officer and elected member level.

122. In the meantime, various sustainability themes have been pursued:

- The council is one of the first public bodies in Scotland to use the global footprint reduction approach to inform policy. The draft local plan used the ecological footprint calculation as a baseline indicator to show private house builders how design standards could reduce the council's footprint.
- Initiatives to reduce energy consumption, costs and emissions are under way with energy conservation measures and investment in new heating systems in 8,000 council houses.
- Ninety-six per cent of schools have registered as eco-schools, introducing pupils to issues of litter, waste minimisation, energy, transport, healthy living, water and biodiversity; and 112 schools have attained their Eco-Schools Green Flag.
- Following investment in new facilities across 200,000 homes, the introduction of kerbside recycling, the provision of four new recycling centres, awareness-raising campaigns and a positive response from local residents, the recycling rate improved from 17.8 per cent in 2004/05 to 28.1 per cent in 2005/06. It levelled off to 27.7 per cent in 2006/07, falling back below the Scottish average. The council has recently embarked on a new waste strategy 'Recycling for Good', which it predicts will help it to achieve the

Scottish Government's recycling targets.

123. The council introduced sustainable development into the service improvement planning process for 2005/06 to help mainstream it into core business. Following a review of SIPs in 2006/07, the council found that:

- staff understood that sustainable development is more than an environmental issue
- awareness had been raised among employees involved in improvement plans, but there was much to be done in promoting sustainability and raising awareness across the council
- the self-assessment process needed to be improved to ensure accuracy and consistency.

124. The SDWG prepared a sustainable development statement (SDS) which was approved by the council in September 2006. It sets out the council's vision, the main aims, and how the council and partners will monitor and measure progress. The SDS provides a brief but clear overview and explanation of what sustainable development is and what it means. It provides a sound platform for the future, provided that senior level commitment and resources for publicity and awareness-raising can be applied.

125. The SDS is supported by 28 economic, environmental and social indicators considered relevant to the activities of the council, partners and the wider community. This is a more detailed document than the statement, matching the indicators with key actions, and analysing the headline indicators in detail. Baseline information was established in 2006, and the first progress report for 2006/07 was due in November 2007.

126. In December 2007, the council tried to match the indicators against the SDS and corporate plan outcomes for 2008-12. Some indicators were not fit for purpose and new indicators are

being drafted. The absence of relevant indicators makes it difficult for the council to demonstrate progress or impact on sustainable development.

Customer care

Customer satisfaction with council services and the way in which enquiries are dealt with has improved significantly since 1999. Access to services is good, but the council's approach to dealing with customer complaints needs to improve.

127. The council has made good progress in providing easier access to services for its customers. In May 2006, it created a new post of head of e-government and service development, which has brought together various aspects of customer access including: the customer contact centre (Northline); the council website (Northweb); and a network of 12 first-stop shops. The service is now responsible for the council's well-developed customer first strategy and its successor customer services strategy, which was approved in draft by the Policy and Resources Committee in January 2008 and is currently the subject of consultation.

128. The 2006 Residents Survey showed that customer satisfaction had increased substantially since 1999 over all of the six aspects of customer service covered in the survey. These included: ease of access, the speed and manner in which enquiries were dealt with; and the quality of service provided. The promptness with which enquiries were handled saw the greatest improvement, rising from 61 per cent satisfaction in 1999 to 82 per cent in 2006. Satisfaction with the overall quality of services received or work carried out also rose, from 54 per cent in 1999 to 73 per cent in 2006.

129. More recent reports show that, in the three years to 2007, the percentage of customer calls to Northline answered within ten seconds increased from 71.1 per cent to 75 per cent; and first-stop shop average waiting times decreased from 6.03 minutes to 4.31 minutes. The new

customer services strategy sets out a further expansion of the range of services to be delivered through these means.

130. A number of other factors underline a commitment to customer service. These include:

- Widespread commitment across the council to Charter Mark, with 65 accreditations achieved to date.
- Corporate and service level customer service standards, although these could play a more prominent role in the monitoring and reporting of service performance.
- A commitment in proposed service performance portfolios to reporting more regular information at service level in relation to customer satisfaction and related measures.

131. The council's complaint-handling arrangements need to improve. The 2006 Residents Survey showed that 72 per cent of those who had complained to the council were 'dissatisfied' or 'very dissatisfied' with the way that their complaint had been handled. A new system is now being developed. The council is also committed to introducing satisfaction rates for complaints handling at service level in its service performance portfolios. This should help to ensure that improved customer access to services is accompanied by a more systematic analysis of complaints.

Part 3. Is the council delivering better public services?



The services provided by North Lanarkshire Council are generally improving, albeit from a relatively low starting point in some areas. The council's rate of improvement remains above the Scottish average but levelled off in 2006/07 compared to previous years.

Performance is strong in a number of areas, including regeneration and some aspects of housing services, education and social work. However, there are a number of areas where improvement is needed, most notably in S3-S6 secondary educational attainment and pupil attendance, services for homeless people, housing allocations, housing repairs, library services and waste recycling.

The council's improving performance management arrangements should help the council focus attention on the areas where improvement is most needed.

Exhibit 11

Council SPI profile 2006/07

	Upper quartile	Middle quartiles	Lower quartile
Adult social work	2	14	4
Benefits administration	2	0	0
Education & children's services	1	2	5
Corporate management	0	8	4
Cultural & community learning	0	7	3
Development services	2	0	0
Housing	6	5	0
Protective services	4	1	1
Roads & lighting	1	3	0
Waste management	3	3	0
Total	21	43	17
Scottish average	21	47	14

Note: One measure was indicated as 'no service'.

Source: Audit Scotland

Service performance

132. Each year local authorities are required to report and publish information about their performance using SPIs. Audit Scotland collates the information received from all councils and publishes on its website a compendium of all SPIs and council profiles. The council profiles contain 82 measures taken from the SPIs. While these do not give a comprehensive picture of performance across all services, they do allow some comparisons to be made between councils and over time.

133. The council's SPIs suggest that North Lanarkshire is performing close to the average for all Scottish councils and improving at a rate just ahead of the average. Some services are performing well; these include benefits administration, development services, housing and protective services. However, some of the indicators in education and children's

services and corporate management show poorer performance.

134. Exhibit 11 summarises North Lanarkshire Council's 2006/07 SPI profile. The council has 21 SPIs in the top quartile and 17 in the bottom quartile, close to the Scottish average.

135. The council ranks in the top three in five SPIs:

- Administration costs – the overall gross administration costs (£) per council tax or housing benefit applicant.
- New claims – the average time (days) taken to process new claims for council tax or housing benefit.
- Respite care – percentage of daytime respite hours provided not in day care.
- Food hygiene – the percentage of premises with a minimum

inspection frequency of 12 months or less, that were inspected on time.

- Refuse collection – the net cost per property for refuse disposal.

136. The council's improvement ratio fell from 3.17 to 1.79 between 2004/05 and 2006/07, but it remains above the Scottish average of 1.48. The council's performance worsened in 14 SPIs, the same as the Scottish average, but improved in 25, which is above the Scottish average of 20 (Exhibit 12).

137. The council has shown significant improvement (of over 15 per cent) since 2004/05 for 16 SPIs. Four of these, however, remain in the bottom quartile.

Exhibit 12

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
North Lanarkshire	7	4	3	5	4	16

Source: Audit Scotland

regeneration. Much of the economic development and community regeneration work done to date has been on a range of valuable, but disparate, projects in areas such as employability, business support, physical regeneration, CCTV and community safety.

142. Partnership working has led to significant economic development in North Lanarkshire. Strathclyde Business Park and Eurocentral emerged from the former Lanarkshire Enterprise Zone, bringing jobs and economic benefits to the area. Drumpellier Business Park and Airdrie Business Centre developments, on previously vacant and derelict land, were led by the council's economic development unit, and regeneration of the extensive Ravenscraig site will bring new retail, employment, housing and leisure provision to the area.

143. The community regeneration team has supported the work of NLP by preparing and monitoring progress on the community plan. The team has supported the development of networks to apply resources from the community regeneration fund, community voices and workforce plus for local employment, health and environmental benefits. It has also supported important work on antisocial behaviour, the community safety partnership, LAPs and community engagement.

144. Given the cross-cutting nature of regeneration, most council services have a role to play. While there is some evidence of coordination in specific local projects, it is apparent that new schools and educational initiatives progress independently of local environmental improvement projects or social care activities and housing-led regeneration. A greater impact could be achieved with more effective corporate coordination. The newly proposed local regeneration action plans should assist with this.

145. The council's Regeneration Services Committee was established in April 2007 with broad terms of

138. In 2004/05, North Lanarkshire Council had a ranking of 25 or below in 13 indicators; all but four of these have improved by five per cent or more.

- Secondary schools – the percentage of schools in which the ratio of pupils to available places is between 61 per cent and 100 per cent.
- Use of libraries – the number of borrowers as a percentage of the resident population.
- Learning centre and learning access points – the number of users as a percentage of the resident population.
- Consumer complaints – the percentage of complaints processed within 14 days of receipt.

139. Our audit focused on performance in a selection of the council's services. We concentrated on services closely aligned to the council's main challenges in relation to its context, and service areas which support its key priority of regeneration. For example, successful regeneration is, in part, dependent on a well-trained workforce (education and lifelong learning), a good transport infrastructure (roads and transport) and an attractive environment (housing, refuse and cleansing).

Regeneration

The council has contributed effectively to the regeneration and economic development of the area through a range of projects in partnership with other public sector agencies and the private sector. The council is developing a more corporate and focused approach to regeneration, but more strategic management, careful resource planning and better coordination of council and partner regeneration activities are required to achieve this aim.

140. The council knows that North Lanarkshire is an area in continuing need of regeneration. Progress has been made since the decline of heavy industries, but factors such as deprivation, worklessness, poor health, education, low incomes, vacant and derelict land continue to present major challenges. The council and its Community Planning partners have secured more than £80 million to promote economic development and community regeneration over the last three years. The Community Planning partners have agreed that regeneration will be one of the main themes in the draft community plan 2008-12.

141. The merger of economic development and community regeneration within the chief executive's department is a first step in the council's aim to provide a more corporate and focused approach to

reference and could do more to coordinate regeneration activity. Regeneration strategy does not feature regularly on CMT agendas. The assistant chief executive has overall responsibility for regeneration. While this has the potential to improve coordination, regeneration is a new and complex responsibility in addition to his previous duties.

146. In leading the North Lanarkshire Partnership, the council has taken responsibility for developing an overall strategy to give direction to the regeneration process and ensure that all the initiatives from council services and Community Planning partners work together to achieve the desired outcomes. In April 2008, the council approved a regeneration statement 2008-12. This sets out the main challenges and how the council and its partners will tackle them. The council and its partners have recently formed a NLP regeneration steering group to implement the statement and coordinate activity.

147. At the local level, part of the LAPs' role is 'to encourage and facilitate the delivery of local Community Planning within local service delivery' and 'to develop and monitor neighbourhood improvement plans'. This gives LAPs a key role in local regeneration. However, much of their business at present concentrates on physical and environmental regeneration, with little involvement in employability, social regeneration, community engagement or capacity building. The council should consider the balance of these activities in the development of the new approach to regeneration.

148. The Scottish Government is now developing a Single Outcome Agreement with each local authority which will change the traditional approach of ring-fenced funding for regeneration activities. This will require careful resource planning by the council and its partners to ensure that regeneration priorities are allocated sufficient funds. While the council planned for 2007/08 to be

a transitional year for regeneration, strong strategic management will be needed to meet these internal and external challenges in the future.

Education

Her Majesty's Inspectorate of Education (HMIE) reported positively on the council's education functions in 2003, and the follow-up inspection in 2005 concluded that the service was improving. There is a clear focus on achievement and vocational studies, and a renewed focus on attainment. Good progress is being made in improving the schools estate. However, S3-S6 educational attainment in secondary schools remains poor and the council needs to improve pupil attendance rates.

149. Education services form part of the new Learning and leisure services directorate, with 127 primary schools, 25 secondary schools and 11 special schools. In addition, there are 56 nursery classes, five nursery schools, 18 nursery centres and five nursery classes in special schools. Education continues to be a high priority in North Lanarkshire with net expenditure of £301 million, proportionately higher than its comparator authorities.

150. The council launched its key education policy *Raising Achievement for All in 2004*, which took a broad view of achievement. This policy has allocated resources to particular groups of learners. It emphasises qualities such as self-esteem, determination and motivation as vital skills for life. For example, 10,000 young people attended outdoor education programmes and more than 70 per cent of eligible pupils achieved Duke of Edinburgh's awards. There is strong commitment to vocational education in schools, and 1,200 pupils followed City Vision vocational courses in 2006-07. The Organisation for Economic Co-operation and Development (OECD) report *Quality and Equity of Schooling in Scotland* (2007) recognised the council's

approach as 'an outstanding example of vocational education'.

151. In 2003, HMIE published a report on the council's education function which evaluated nine quality indicators as 'very good' and the remaining two as 'good'. The follow-up inspection in 2005 concluded that the council 'continued to demonstrate a capacity for improvement', and 'had developed... new approaches to raising pupil achievement, particularly in the arts, music and sport'. However, 'the Education Department needed to focus on raising attainment especially from S3 to S6'. In relation to the school estate, the report acknowledged that 'much had been done to improve some schools' but that 'more remained to be done to ensure that the school infrastructure was fit for the 21st century'.

152. According to HMIE reports, the pattern of performance on attainment and quality improvement in primary school inspections is generally positive. In the 5-14 age group, the average attainment in primary schools shows a year-on-year improvement from 79.5 per cent in 2004 to 82.5 per cent in 2007. However, this improvement at primary level is not carried through to secondary schools. The record of attainment for pupils from S3 to S6 presents a significant challenge for improvement. The proportion of pupils achieving five or more Standard grades (level 5) decreased from 28.4 per cent to 26.6 per cent between 2003 and 2007, below both national and comparative local authority figures. The proportions of pupils achieving three or more, and five or more, awards at level six or better were steady over the same period, although they remained generally below national and comparator figures. However, attainment results for 'looked after and accommodated' children improved in 2007, with 78 per cent achieving standard grade or credit, overtaking the national average. The council has re-emphasised its commitment to raising attainment levels while continuing to improve pupil achievement.

153. The condition of school buildings presents a major challenge across Scotland. Secondary school occupancy in North Lanarkshire is 64 per cent (in the bottom SPI quartile). The council has responded with Education 2010, a major PPP project to invest £150 million in replacing or refurbishing 24 schools. Progress has been good, with 22 new schools delivered on time and on budget by December 2007. This first phase of the school building programme, Education 2010, received the PFI of the Year award at the Scottish Business Awards 2006. A second phase, Schools and Centres 21, was approved in 2007, which involves the replacement or refurbishment of 25 more schools through an investment of £250 million. One feature of the programme is the development of schools as community hubs, incorporating public libraries and cultural centres. Another notable feature is the joint campus arrangement where denominational and non-denominational schools are built together and share common facilities (Exhibit 13). An independent evaluation, published in June 2007, gives a positive endorsement to this initiative.

154. Pupil attendance rates are improving, although pupil absence rates remain above national and comparator authorities. The rate of exclusions in primary schools is also above national and comparator averages.

155. Sickness absence among teachers is a problem for the council; the SPI is in the bottom quartile and declining, with 4.5 per cent of working days lost through sickness in 2006/07. The council is planning to address this as part of its wider action to reduce absence across the organisation.

156. Top-level leadership and management in the education service is sound, with a strong commitment to attainment, vocational education and continuous improvement. The service secured a third re-accreditation of IiP in 2007, and 40 premises have Charter Mark. Staff development and training

is a high priority and quality initiatives are encouraged across the service. For example, all primary and secondary schools are now health-promoting schools; there are 36 health-promoting nurseries, healthy eating initiatives and eight enhanced comprehensives or 'schools of ambition'. In the 2006 Residents Survey, primary and secondary schools were viewed as a high-quality service with high importance, and 81 per cent of residents rated improving standards in education and training as 'good' or 'very good'.

Community learning and development

An inspection by HMIE in 2007 confirms an overall improvement in community learning and development (CLD).

Exhibit 13 Shared campus schools

The co-location of Roman Catholic and non-denominational schools on the same campus is an important aspect of the council's Education 2010 school building programme. Under the shared campus model, each school retains its own identity and autonomy with its own staff, head teacher, management structure and ethos but uses shared facilities and infrastructure such as kitchen and dining facilities, libraries, sports facilities, tutorial and audio/visual rooms.

The rationale for this approach rests on four central principles:

- Obtaining best value by maximising the use of scarce facilities and resources.
- Maintaining and protecting the rights of denominational schools.
- Extending educational opportunity through an enhanced level of facilities.
- Enhancing community provision and access to schools.

A protocol to guide the operational management of the schools was prepared in consultation with the Roman Catholic Diocese of Motherwell. An independent evaluation was conducted in 2007 which included all four projects (eight schools) and involved consultation with staff, head teachers, pupils and families. The findings confirm that each campus satisfies the four principles and the joint protocol. While there are some design-related issues to be resolved, most parents, staff and pupils believe that the shared campus is a positive development for North Lanarkshire. This outcome provides a basis for discussions on future shared campus provision.

Source: Audit Scotland; based on *Shared Campus Independent Evaluation 2007*

157. HMIE completed an inspection of CLD in two areas of North Lanarkshire during 2007. They identified numerous strengths and recommended areas for improvement. Of the nine quality indicators, four are 'good', three are 'very good', partnership working is 'excellent' and improvement in performance is 'weak'. Key strengths include: highly motivated managers and staff; particularly effective contribution of CLD staff to work in schools; and effective learning support for parents. The main requirement is for the council 'to improve performance information arrangements to demonstrate clearly the wider outcomes of the work of the CLD service and support effective planning for improvement'.

158. The 2006/07 SPIs for learning centres and learning action points are both in the bottom quartile. The

council is ranked 28th for the number of times computers are used and 30th for the number of users, with only 5.2 per cent of the local population using them. The council accepts that recording and reporting arrangements need to be improved. However, new learners in adult literacy and numeracy almost trebled, from 743 in 2005 to 2,191 in 2007.

159. In 2007, the council carried out a Best Value review of CLD services. A report to the learning and leisure committee in October 2007 proposed a reconfiguration of the service around the three national priorities: achievement through learning for adults; learning for young people; and building community capacity. The improvement plan set out 18 actions extending over a 12-month period. A robust debate at the committee meeting demonstrated contrasting views on the way forward. While the improvement plan was agreed, the committee asked for further reports on how the services would be reconfigured to target 'communities and individuals most in need'. The first phase of proposals was approved in December 2007. To maintain service effectiveness, the council will need to confirm the future direction for CLD services.

Libraries and leisure

A lack of investment in library services in recent years has been accompanied by a downturn in performance. Sports and leisure facilities are performing well, although the council needs to consider the adequacy of its contract monitoring arrangements.

160. As part of the Service and People First improvement programme, cultural and leisure services are now part of the learning and leisure services directorate. This merger is progressing well, and there are strengthening links across education, cultural and leisure services.

161. Libraries and Information includes all library lending, bibliographic and support services. Twenty-seven libraries and 211 staff have achieved liP and Charter Mark accreditation. During the last three years, the service secured a COSLA Gold Excellence award for i-LTV, a web-based system to improve accessibility. Library stock turnover has been well below average for children and adults for some years, although the council reports that the figure for children has improved in 2007/08. Only 18 per cent of local people borrowed from libraries in 2006/07, and the council reports marginal improvement in 2007/08. The council was ranked 27th out of 32 local authorities in 2006/07.

162. Since September 2006, the council has delivered sports and leisure services through North Lanarkshire Leisure (NLL), an arms-length external organisation (ALEO). Two other major leisure facilities are managed by separate ALEOs – Broadwood Stadium Cumbernauld Ltd (since 1994) and the Time Capsule Monklands Trust Ltd (since 2003). Attendances at swimming pools and indoor leisure facilities have been below average in recent years, but NLL completed its first full year of operation in September 2007 with increases of 10.1 per cent in attendances and 18.1 per cent in customer income over the same period in 2006. These three leisure ALEOs plan to merge; the council will need to consider carefully the risks and procurement implications of this proposal, together with the inclusion of the new Regional Sports Facility at Ravenscraig.

163. The head of Community Information and Learning is the council's direct link to these facilities, but there is no identified sports and leisure client manager within the council to monitor the performance and service quality of the contracts. Currently, the head of service fulfils this role pending the creation of a new post. The council's future plans for the supervision and scrutiny of these contracts also lack clarity. In accordance with 'Following the Public

Pound' and the code of guidance on funding external organisations, the council should take an informed, risk-based approach to the ALEOs and ensure it has adequate arrangements to scrutinise performance and the use of resources.

Social work

Service performance is improving overall, but there is scope to increase the pace of change. There have been improvements in services for children and older people, but the performance of services for adults is more variable. The most serious issue is staff absenteeism, where more effective action is required.

164. Social work is now part of the new Directorate of Housing and Social Work. The services are already well-connected in relation to community care and homelessness, and work is under way to improve integration and joint working. Social work management was restructured in August 2007 to create joint support services with housing and to strengthen local management arrangements for children and families, justice, and community care. This reduced centralised staff by 20 and increased frontline service managers by 12.

165. In March 2007, the social work service achieved Charter Mark accreditation. The cabinet office confirmed it as the first social work service in the UK to be accredited for a full service in a single assessment process. The service also renewed its liP accreditation in 2007 and holds seven Charter Marks. The social work service is subject to inspection by the Social Work Inspection Agency (SWIA) and a general SWIA inspection is planned for September/October 2008.

166. Adult social work performance against national indicators is variable. The council is working towards the Scottish Government principles of preventative and personalised support, and improved planning. Overall SPI

performance is improving, although some indicators started from a very low base. Privacy in residential care is below average, with the percentage of residential care places occupied by older people and other adults in single rooms both in the bottom quartile. All four homecare measures are improving, with three out of four above the Scottish average. Respite care for adults and older people is most variable; the council is eighth for total daytime respite hours for people aged 18 to 64, and 27th for total overnight respite nights for older people. The general direction of travel and trends of improvement are positive, although there remains scope for the pace of change to increase.

167. The executive director of housing and social work services takes the lead role in coordinating children's services and implementing the Integrated Children's Services Plan. Respite care indicators for children are mostly in the bottom quartile. There has been some modernisation of residential accommodation for children, two new children's houses were opened in 2007 and the council has committed capital resources from 2008 to modernise existing children's units and build new ones. A joint child protection inspection is planned for February/March 2008 involving HMIE, SWIA, HM Chief Inspector of Constabulary, the Scottish Commission for the Regulation of Care, and NHS Quality Improvement Scotland.

168. The council aims to help older people to stay in their own homes by increasing the availability of intensive home support, fitting over 8,500 community alarms, and improving care and repair services. Twenty-seven 'very sheltered' houses were constructed recently on council land, and the council has committed capital investment to upgrade residential homes for older people. The social work service has developed effective working partnerships with voluntary organisations and partner agencies such as NHS Lanarkshire; and joint working relationships on mental health with South Lanarkshire Council.

169. The council consults effectively with users and carers to give them a say in how services are planned and delivered. The Carers Strategy emerged from extensive consultation with carers and the council has supported the development of 'North Lanarkshire Carers Together' – an organisation involving 1,700 carers. It receives officer and financial support and is represented on decision-making bodies including the health and care partnership.

170. SWIA published a report of its inspection of North and South Lanarkshire criminal justice services in March 2006. Joint services and joint working arrangements were reported positively. Improvement was recommended for the delivery of community service and the assessment and management of high-risk offenders and the councils produced a progress report in July 2007. SWIA is now satisfied that the concerns are being addressed by the councils, and does not propose any further follow-up.

171. Absenteeism in the social work service is a serious problem. It reached a high of ten per cent for social work staff in 2005, although this had been reduced to eight per cent by October 2007. The main reason for this is long-term absence among homecare staff. The service is committed to continuing to give high priority to addressing absence levels. However, while managers have been dealing with it for at least three years with some success, more effective action is required.

Housing

North Lanarkshire Council is Scotland's largest local authority landlord with just under 38,000 houses. Housing stock condition is sound and the council is making good progress in its role as strategic housing authority. Housing projects are contributing positively to the regeneration of local areas. Tenant participation is effective. The council needs to improve its performance on housing allocations and services for homeless people.

172. In April 2007, the Service and People First improvement programme brought together housing services and social work. This has strengthened already established links and brought new partnerships, particularly in relation to health, well-being and care.

173. Following an option appraisal in January 2002, the council decided to retain the ownership and management of its own housing stock. With a long-term stock investment plan and annual capital investment of £41 million, the council is on schedule to exceed the Scottish Housing Quality Standard by 2015.

174. In 2005/06, Communities Scotland inspected housing management, property maintenance and homelessness services and graded all three as 'C' – 'fair'. The council and the housing staff have continued to work on improving housing services. Overall performance on housing indicators is positive, with rent loss due to voids low at 1.2 per cent (in the top quartile) and continuing to improve; rent arrears under control (also in the top quartile); and rent management indicators above average. Eighty-six per cent of council house sales are completed within 26 weeks, also well above the Scottish average. Housing services achieved Charter Mark reaccreditation in 2005 and liP reaccreditation in 2007.

175. The council's strategic housing role is progressing well, based on the Local Housing Strategy (LHS) 2004/09. The LHS Steering Group comprises several council departments, Communities Scotland, NHS Lanarkshire and neighbouring housing authorities. This group reviewed progress on the strategy in 2007 and reported a satisfactory outcome to NLP and the council. The housing service has been making a positive contribution to local regeneration through recent successful projects including the regeneration of Eastfield, the Old Monklands redevelopment, and the implementation of the Gowkthrapple regeneration master plan.

176. The council's tenant participation arrangements are strong, as highlighted earlier in this report.

177. Homelessness is a serious and growing issue for the council. The time taken to provide permanent accommodation for assessed homeless cases is 23 weeks, below the Scottish average and deteriorating. However, the percentage of cases reassessed as homeless is better than the Scottish average and improving at 5.1 per cent. The council's scrutiny panel has taken up the issue of services to homeless people and is carrying out a review of policies, practices and performance.

178. The council is also reviewing its allocations policy. A review was started in 2004 and a member/officer working group undertook lengthy deliberations, including a full evaluation of good practice models, but failed to bring the review to a conclusion. After the 2007 elections, the new council accepted the need for urgent action and re-established the member/officer group. The revised allocations policy framework was agreed at the council meeting in November 2007, and a three-month consultation programme was agreed. Implementing the new allocations policy and improving services for homeless people are urgent priorities for the council.

Building services

The partnership arrangement put in place for building repairs and maintenance has delivered savings while also driving improvements to the service. There has however, been a deterioration in the housing repairs service during 2007.

179. During the late 1990s, the council's DLO experienced severe financial difficulties, which led to a £4.5 million loss in 1997/98. The council was instructed by the Secretary of State for Scotland to review the way in which these services were provided. In 2000, the council entered into a strategic

public-private partnership contract to provide housing and commercial property repair and maintenance services through a specially created joint venture company, Maintenance and Property Care Ltd. (MPC).

180. The works agreement between the council and MPC included a guaranteed discount to the council on the original schedule of rates operated by the former DLO, and a requirement to make a minimum efficiency saving of 0.25 per cent each year. In 2006/07, the value of the combined efficiency saving and the discount was £971,582. The council is also entitled to a profit share of 33 per cent of distributable dividends with an additional preferential dividend of 25 per cent of net profit on the works agreement through its shareholding in the partnership.

181. The contract requires a service review to be carried out in years three, six and nine of the contract. The year six review provided details of MPC's performance over the period 2001/02 to 2005/06 in both financial and non-financial terms, and concluded that the conditions of the contract had been met. In the seven years from 2000/01 to 2006/07, the partnership agreement has delivered total discounts and efficiency improvements of £4.7 million. Performance measures show sustained improvements in performance until 2006/07.

182. The 2006 Residents Survey identified housing repairs as a service of high importance with 67 per cent of tenants rating the service as 'very good' or 'good'. However, performance declined in 2007. At their conference in 2006, tenants expressed concerns about the quality of the repairs and the length of time it was taking to get repairs carried out. Delays in completing routine repairs started early in 2007 and reached a peak over the summer period. The council and MPC have reviewed operations and implemented a joint action plan but, although the issue is receiving attention at the most senior

levels in the council, the problems continue. This will have an impact on five of the housing performance indicators for 2007/08.

Roads

Roads and transport performance is around the Scottish average but customer satisfaction is low. The council has invested in its roads but there has been limited improvement in the SPIs over the period from 2004/05 to 2006/07.

183. The council responded to the severe DLO deficits in 1997/98 and 1998/99 by establishing a public-private partnership, as with building services. Since 2001/02, the Amey Roads (North Lanarkshire) (ARNL) partnership has been consistently profitable and has delivered financial returns to the council in line with budget. In 2006/07, the total net income to the council amounted to £1.439 million.

184. Although the partnership has been consistently profitable in the six years since it was set up, growth in turnover during 2006/07 did not meet the council's target of five per cent.

185. The partnership has met the majority of its non-financial targets, although the SPI performance does not demonstrate consistent improvement over the last three years. The indicators for 2006/07 show variable performance, ranging from good performance for street lighting repairs, ranked fourth in Scotland, to poorer performance for the number of assessed bridges failing to meet the European standard of 40 tonnes, ranked 23rd in Scotland.

186. The 2006 Residents Survey identified the maintenance of roads, footpaths and lighting as an area of high importance but low satisfaction, with only 56 per cent of respondents rating the service as 'good' or 'very good'. In response, the council has invested in roads and lighting in recent years and identified £3.15 million to be used in 2007/08 to improve roads,

lighting and footpath maintenance and for flood prevention work.

187. A service review of the roads and street lighting services was carried out jointly by the council and ARNL during 2006/07. The review found that, while the partnership had a positive impact on the provision of service, there were a number of areas where joint working needed to improve. The resulting action plan sets out the ways in which closer working could be achieved.

188. The PPP contract is currently in year seven of a ten-year contract and the council has started to consider what action to take at the end of the contract. Legal counsel has advised the council that a full tendering process will be required to comply with European procurement law and the council is currently exploring the options for the provision of this service beyond 2010.

Refuse and waste disposal

The council has been working to identify short-term ways to promote recycling of waste as well as working with South Lanarkshire Council to identify long-term solutions to waste disposal. It still has a great deal of work to do if it is to achieve waste recycling targets.

189. The council has been working to meet the waste disposal challenges that face all local authorities. As well as short-term measures to increase recycling rates, including the introduction of alternate weekly collections, a recycling communications strategy and increased recycling facilities. The council has been working with partners to identify longer-term alternatives to landfill for the disposal of waste. The recycling rate has improved significantly, rising from 17.8 per cent in 2004/05 to 27.7 per cent in 2006/07.

190. However, further improvements must be made over the next two to five years if the targets in the

National Waste Plan are to be met. Under the banner of 'Recycling for Good', the council has recently committed to a new programme of recycling initiatives, linked to a public information campaign, which is aimed at achieving the Scottish Government's targets of recycling 40 per cent of waste by 2010 and 50 per cent by 2013.

191. The council is part of the Glasgow and Clyde Valley Area group and has been working with South Lanarkshire Council to develop proposals for a Lanarkshire-wide waste management solution. The Scottish Environmental Protection Agency (SEPA) consulted on the partnership's proposals over the course of summer 2007, but a final decision about the way forward concerning the council's management of residual waste has yet to be made. The council is already anticipating it may have to pay a penalty under the Landfill Allowance Trading Scheme (LATS) during 2007/08, which it estimates could be £282,000.

192. In the shorter term, the council has introduced measures to encourage recycling, including a move to alternate weekly collections. The net cost per property of refuse disposal rose from £32.94 in 2004/05 to £53.77 in 2006/07, although this is still below the average for Scottish urban authorities. The level of complaints per 1,000 households rose from 30.8 in 2004/05 to 38.8 in 2006/07. These trends are consistent with experience in other councils when similar measures are introduced.

193. The quarterly performance report for the second quarter of 2007/08 shows that performance is continuing to decline. There were 25.3 customer complaints per 1,000 households for the first half of 2007/08 and the cost of refuse disposal per household was calculated at £61.55 in quarter two, which is higher than the council's revised target of £59.

194. Eighty six per cent of respondents to the 2006 Residents

Survey rated the refuse collection service as 'very good' or 'good'. Residents also rated street cleaning and litter control highly and 73 per cent rated it 'very good' or 'good'. However, in relation to waste disposal, the council needs to maintain its drive and focus on implementing the Waste Strategy as one of the flagship projects highlighted in the corporate plan.

Part 4. What needs to improve?



The council has an ambitious and wide-ranging improvement agenda, and displays many elements of a continuous improvement culture. Its improvement agenda includes development projects, service improvement and service reconfiguration. There is scope for the council to articulate, prioritise and coordinate this agenda more effectively as an integrated whole.

Significant challenges remain at the strategic level where the council needs to sustain the regeneration of the area. The recent changes to service structures, staff absence, and poor staff morale also have implications for the council in delivering its ambitious improvement agenda.

It needs to improve some core services, most importantly in S3-S6 secondary educational attainment and pupil attendance, services for homeless people, housing allocations, housing repairs, library services and waste recycling.

195. Continuous improvement in public services and local governance lie at the heart of the Best Value and Community Planning policy framework. Elected members and officers must focus on key policy objectives and the needs of service users and communities, driven by a desire to achieve the highest possible standards in service delivery. This requires a culture where areas in need of improvement are identified and openly discussed and in which service performance is constructively challenged.

196. North Lanarkshire Council has invested significantly in its strategic priorities in recent years, by making changes to the way that it does business at the political level, and by fundamentally reviewing the way in which its services are organised as part of its Service and People First improvement programme. The council demonstrates a commitment to continuous improvement, and elected members and senior officers of the council have provided clear and visible leadership.

197. Although the council enjoys benefits as a consequence of its scale, it also faces difficult decisions in balancing the different demands of its ambitions, and in balancing the need to regenerate deprived communities and improve core services.

198. While the council works effectively with its strategic partners on a range of projects and services, the Community Planning arrangements have not so far fulfilled their potential.

199. There is scope for the council to articulate, prioritise and coordinate its improvement agenda more effectively as an integrated whole. The scale of the council's improvement agenda is significant and ensuring that it is effectively coordinated will be critical to its success.

200. The council is particularly aware of the need to improve performance in a number of services such as S3-S6 secondary educational attainment and pupil attendance, services for homeless people, housing allocations, housing repairs, library services and waste recycling.

201. The council knows where improvement is most needed and has action plans to address most of these areas. The improvement agenda below sets out a number of priority actions designed to help focus the council on areas for improvement and is broadly consistent with the council's existing improvement agenda. The priority actions are intended to assist the council in identifying where it should focus its initial investment. This improvement plan is designed to build on the momentum that already exists and will provide the basis for review and monitoring by the council's external auditor over the coming years.

Improvement agenda for North Lanarkshire Council

- Improve service performance in S3-S6 secondary educational attainment and pupil attendance, services for homeless people, housing allocations, housing repairs, library services and waste recycling.
- Review the wide range of improvement activities and ensure that an overarching transformation programme prioritises coordinates and articulates its objectives more efficiently and effectively and reviews its capacity to sustain the improvement agenda while maintaining core service delivery.
- Develop and implement the next phases of Service and People First, focusing on workforce development and organisational culture and clearly articulate them for customers and employees.
- Improve the reporting of the impact of Community Planning by developing more effective outcome measures.
- Develop the role and contribution made by Local Area Partnerships and community forums in Community Planning and improve community engagement by fully implementing the Community Engagement Strategy.
- Review with partners the future role of the Community Safety Partnership and agree objectives and more appropriate performance measures.
- Provide a clearer strategic direction for, and improve the coordination of, regeneration activities.
- Implement the new corporate complaints system.
- Support the mainstreaming of the equality and sustainable development agendas by improving leadership, prioritisation and the performance management arrangements.
- Agree a comprehensive HR strategy and improve sickness absence rates and staff morale.
- Improve the take-up of training opportunities by elected members.
- Review the process through which the scrutiny panel selects areas for scrutiny and ensure that the scrutiny of policy implementation takes place.

North Lanarkshire Council

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