

The Audit of Best Value and  
Community Planning

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# Aberdeenshire Council



Prepared for the Accounts Commission  
June 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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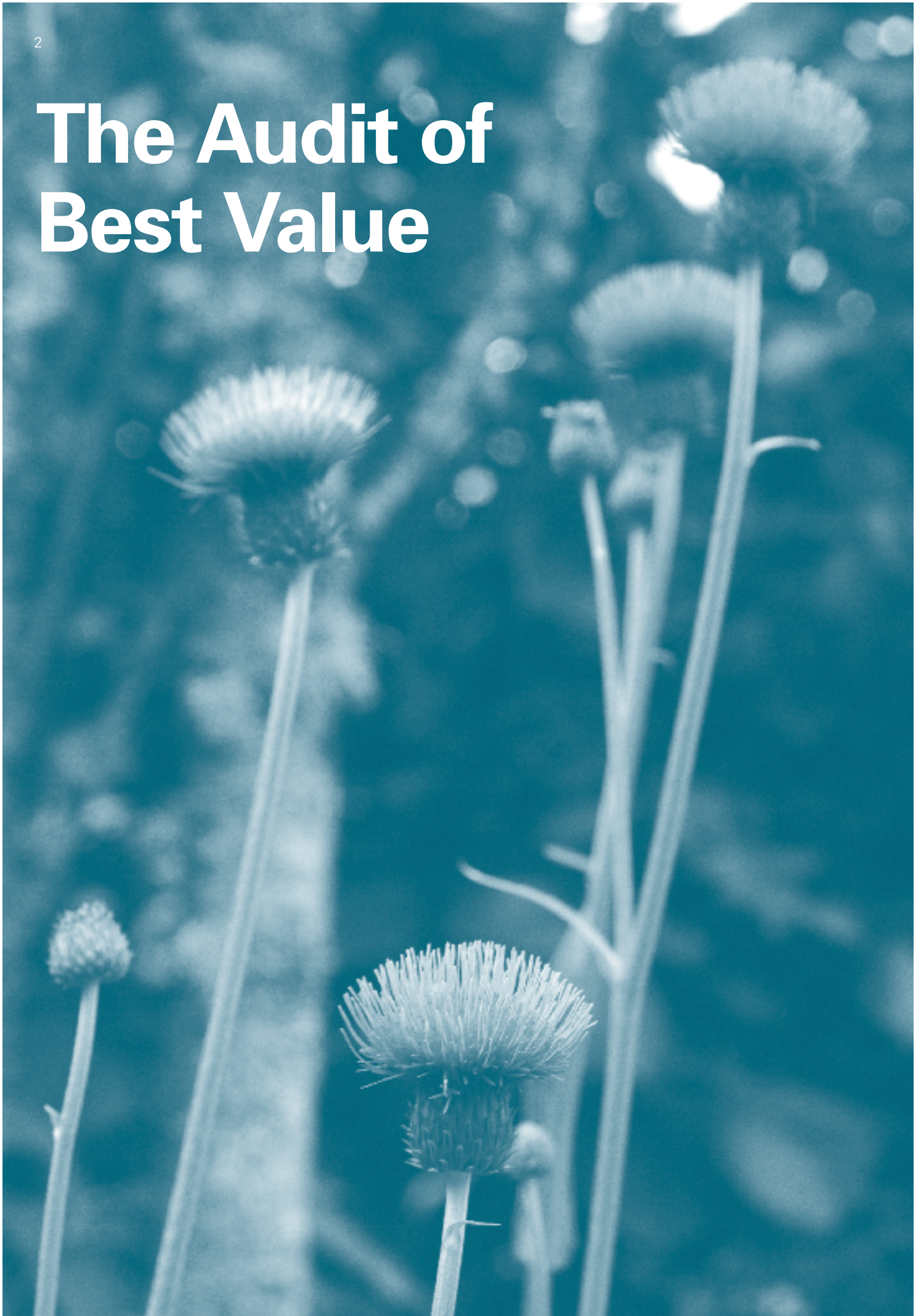
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# The Audit of Best Value



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 Aberdeenshire 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 external auditor over the next three years.

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

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

The report reflects this selective approach, with detailed commentary on some areas and limited or no coverage in others. While we have made some comparisons with other councils, our overall approach has focused on performance trends and improvement within Aberdeenshire Council. The report also reflects the picture available at the time our main audit work was conducted between October and November 2007.

We gratefully acknowledge the co-operation and assistance provided to the audit team by Aberdeenshire Council. We would like to particularly thank Councillor Robertson, the leader of the council; Alan Campbell, the chief executive; and Alison Davidson, best value audit project manager, and all other members and officers contacted during the audit.

# Commission findings



The Commission accepts this report on the performance of Aberdeenshire 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.

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

- its decentralisation arrangements and devolved decision-making structure
- its commitment to joint working
- good service performance in a number of key areas
- its sound traditional financial control.

However, to deliver Best Value fully, the council now needs to adopt a more strategic approach and to coordinate its plans more effectively. The council has adopted its strategic priorities for the next four years; these now need to be rigorously implemented to ensure that the desired outcomes are achieved. The council also needs to increase and maintain the pace of change and to ensure that initiatives are followed through and evaluated.

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

- a more effective approach to community planning, with members providing leadership and working more closely with community planning partners
- the development of a clear approach to ensuring that its services are competitive, through regular options appraisals and benchmarking and, where necessary, market testing
- the need for more developed risk and asset management
- the need for a more strategic approach to financial management.

We look forward to receiving an improvement plan from the council, with measurable and achievable outcomes, which take forward the recommendations in the report by the Controller of Audit and the issues highlighted in these findings.

# Overall conclusions





Aberdeenshire Council is clear about its overall direction and priorities, and has been effective in establishing a culture of continuous improvement. This has been helped by good working relationships between elected members and senior officers. The council has many of the building-blocks necessary to deliver Best Value, but better coordination is needed. The council's leadership needs to take a more strategic approach, making clearer choices about improvements and targeting resources to maximise the impact on delivery and efficiency. The council needs to follow through more rigorously to ensure that its intended outcomes and impact are achieved.

A good performance management framework is in place and scrutiny of performance is improving, but there is limited scrutiny of decision-making. Senior management must take more ownership of corporate and service performance. Financial management is sound and people are motivated and committed. Some arrangements such as risk management have been slow to develop. Strategies also need to be implemented for the management of assets and people. The council must do more to demonstrate the competitiveness of its services.

Some high-spending services such as education, housing and social work are performing well, but performance is mixed in others, such as planning, and there is scope for improvement in areas covered by SPIs. The council works well with its partners on individual projects, but improved leadership is required to ensure that Community Planning is effective in delivering better services and outcomes.

- 1.** The Aberdeenshire area offers a good quality of life for its residents. It has a diverse and attractive environment, and is relatively prosperous with low levels of unemployment and deprivation. Within this context the council faces a number of challenges, including sustaining its local communities and providing services for an increasingly elderly population.
- 2.** The council leadership has been effective in establishing a culture of continuous improvement, but elected members and senior officers need to coordinate the council's efforts more effectively in order to maximise impact and outcomes. Almost half of elected members are new to the council, but they demonstrate a good awareness of what is required.
- 3.** The council is ambitious and shows self-awareness in terms of what it needs to improve in order to demonstrate Best Value. It has set out its overall direction well, with a clear vision supported by well-defined priorities. Council plans are generally well articulated, but they are not well linked.
- 4.** The council has developed good working relationships with its partners and is involved in a range of joint-working initiatives, but Community Planning lacks clarity and impact. Elected members have not demonstrated a good understanding of Community Planning, and the council needs to provide clearer leadership to ensure all partners work more effectively together to deliver better services and outcomes.
- 5.** The council has a good performance management framework and elected members receive regular performance reports. This is supporting improvements in the scrutiny of performance, but senior and middle management need to take greater ownership of corporate and service performance by reviewing and responding to performance information more systematically in order to drive up performance. More could be done to streamline the current reporting processes.
- 6.** Education, social work and housing services are performing well and this provides a sound base to deal with the key strategic issues facing these services in the years ahead. Transport is also doing well. Performance in other areas such as planning and leisure is more mixed. In areas covered by SPIs, overall performance is currently middling and at risk of falling behind other Scottish councils.
- 7.** The council has a well-established devolved decision-making structure, which generally works well and is increasingly effective in ensuring that policy decisions are responsive to local views, through the work of area committees. Wider scrutiny of decision-making is however, limited. Officers and members work well together and the senior management team has a cohesive approach. Current management structures help to provide capacity and resilience at a senior level, but they can result in too much of an operational focus.
- 8.** The council generally makes good use of its resources; this could be improved through a more strategic approach. The council demonstrates a genuine concern with the motivation and welfare of its people, and staff are well motivated and committed. It has successfully implemented the single status agreement but needs to take a more structured approach to key elements of people management. The council demonstrates sound financial management, but it does not yet have a strategic approach to managing assets. Risk management has been slow to develop and is not effective.
- 9.** The council has established a culture of continuous improvement, but its activities lack a strategic focus and a coordinated approach to ensure maximum impact from the significant resources invested. The improvements and efficiencies that have been made are not systematically identified. The council

needs to do more to demonstrate services are competitive, including more rigorous benchmarking and options appraisal. The council is making some efficiency savings, although slippage in improving procurement has meant that anticipated savings are taking longer than expected to achieve. Overall, a more rigorous and systematic approach needs to be taken to identify, deliver and capture efficiencies as part of a better coordinated approach to continuous improvement.

**10.** The council is committed to sustainable development and has made good progress in addressing issues of environmental sustainability. A more systematic approach to social and economic sustainability is required. Equality schemes are in place and the council has invested in initiatives to support the equalities agenda, but progress needs to be sustained.

**11.** The council is improving customer service, making better use of technology, but the pace of change needs to increase and greater senior commitment is required. It is not clear how new approaches to customer service will be integrated with the many existing over-the-counter facilities.

**12.** The council is very active in seeking the views of the local community, making widespread use of surveys. Although this work has a broad influence, it could be more effective in informing policy and service delivery.

# Part 1. Does the council have clear strategic direction?



The council has set out its overall direction well, with a clear vision supported by well-defined strategic priorities. It faces significant challenges including sustaining diverse local communities and an increasingly elderly population. The council's leadership has been effective in establishing a culture of continuous improvement and motivating the council's people, but it needs to do more to coordinate the council's efforts. Community engagement activity is widespread but could be more effective in informing policy and service delivery.

The council needs to be clearer what individual initiatives are trying to achieve and to follow through more rigorously to make sure that the expected outcomes and impact are achieved. Clearer choices need to be made about which proposals for improvement fit best with overall priorities and aims, to enable resources to be targeted more effectively.

**Exhibit 1**  
Map of Aberdeenshire



Source: Aberdeenshire Council

## Context

**13.** The council covers a diverse area from the Cairngorm Mountains through agricultural lowlands to the sea (Exhibit 1). It is the fourth-largest council area in Scotland, representing eight per cent of Scotland's total territory. While it has the sixth-largest population in Scotland (236,200), it has the ninth-lowest population density in Scotland, with 38 people per sq km. Just over a quarter of the population live in the main towns of Peterhead, Fraserburgh, Inverurie, Stonehaven and Westhill.

**14.** The population of Aberdeenshire is predicted to increase by around 19 per cent by 2031, against growth of five per cent for Scotland. This is the fourth-highest projected increase in Scotland, and it is particularly marked in those of retirement age (75.9 per cent). This brings a significant challenge for the council.

**15.** The local economy mainly consists of service sector jobs (67 per cent). The manufacturing sector is increasing and at 16 per cent is well above the Scottish average of ten per cent. Gross weekly earnings were £458.70 in 2007, above the Scottish figure of £441.50 and sixth highest in Scotland. Aberdeenshire had the lowest unemployment rate at 1.1 per cent in 2006, compared to 3.3 per cent nationally.

**16.** A significant proportion (29.6 per cent) of Aberdeenshire's working residents commute to Aberdeen City, with the highest ratio of outbound long-distance commutes in Scotland. This provides a challenge to the council in sustaining local communities and their economies.

**17.** Aberdeenshire has low levels of deprivation. The Scottish Index of Multiple Deprivation (SIMD) identifies only six data zones (0.6 per cent) in the most deprived 15 per cent. These

are within central Peterhead and north Fraserburgh. The council has the lowest percentage in Scotland of children receiving free school meals. Life expectancy at birth in Aberdeenshire is well above the Scottish average, while hospital admissions due to alcohol abuse and drug misuse are below the Scottish average.

**18.** Aberdeenshire is one of the most expensive places to buy a house in Scotland, with the average house price over £193,000. This has increased by 27.7 per cent over the last year. Seventy-six per cent of homes are owner-occupied, with 15 per cent rented from the public sector. Providing affordable housing presents a challenge to the council.

**19.** Transport links within the area are generally good, including the A90 trunk road and the main East of Scotland rail line. Aberdeenshire contains 10.4 per cent of the total local authority

public road length in Scotland. This is the second-highest proportion nationally (2005) and is ranked third highest for the condition of the carriageway. The rurality of the area and its roads provides a challenge to the council. Rail travel within the area is limited, with only five passenger railway stations. The council is actively working with its partners to improve transport arrangements.

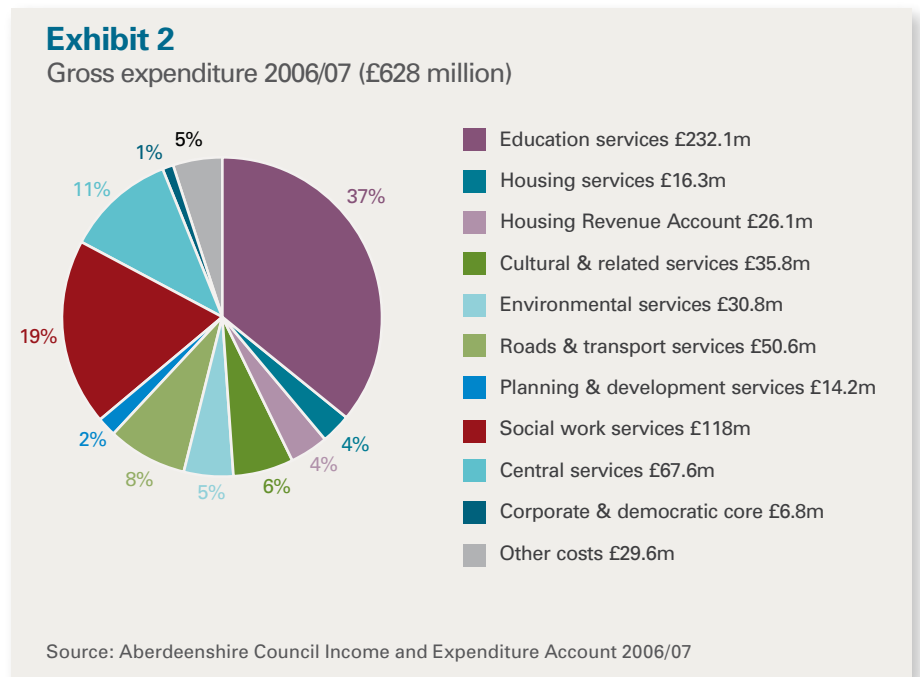
**20.** The council's gross revenue expenditure was £628 million in 2006/07 (Exhibit 2). Its net expenditure was approximately £396 million. This equates to £3,086 per head of population and is lower than the Scottish average of £3,152, ranking it fifth lowest. The band D council tax for 2007/08 is £1,141, close to the Scottish average of £1,149.

**21.** Aberdeenshire Council consists of 19 multi-member wards with 68 councillors. The council is split into six administrative areas: Banff and Buchan, Buchan, Formartine, Garioch, Kincardine and Mearns, and Marr. The political make-up is: Scottish Liberal Democrats 24, SNPs 22, Scottish Conservatives and Unionists 14, Independent eight. A Liberal Democrat and Conservative coalition leads the council.

### Leadership and culture

The council's leadership has been effective in establishing a culture of continuous improvement, motivating people and ensuring that there is increasing clarity about overall direction. Members and senior officers need to coordinate the different streams of activity better and target resources to best support overall improvements.

**22.** Elected members are developing strong leadership capacity and there is increasing clarity about the overall direction of the council. However, the council needs to show that it can think more strategically across a range of activity, balancing a strong culture of delegation with effective direction from the top. Further work is required



to ensure all elected members understand their leadership role in relation to Best Value and Community Planning.

**23.** The council leadership has shown that it can take difficult decisions, and the council has established a culture of continuous improvement. There remains a concern about its ability to follow initiatives through to completion, ensuring that they are appropriately resourced and deliver the benefits expected. There is a strong culture of delegation and this is generally effective, with members and officers empowered to take decisions at a local level. This approach needs to be better balanced, with clear choices about which proposals for improvement fit best with overall priorities and aims, enabling resources to be targeted more effectively.

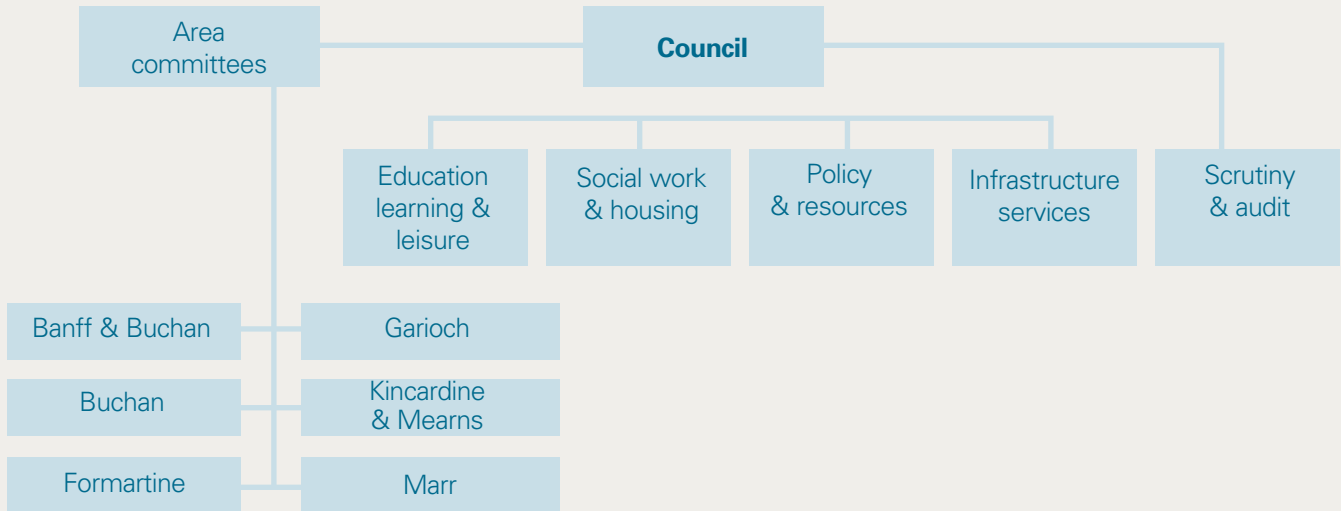
**24.** Elected members and senior officers are well respected. This was evident from discussions within the council and with external partners. Managers and staff are generally well motivated, are clear about the overall direction of the council and share a commitment to improvement.

The employee attitude survey 2006 showed some improvements in how leadership was perceived. However, staff were less likely than before to think that senior management are visible to front-line staff.

**25.** An Improvement and Development Agency (IDEA) peer review carried out in 2005 identified the need for the council's leadership to: 'start investing time in thinking and planning strategically and in doing so this would demonstrate that it is not resting on its laurels and is looking to achieve excellence for its staff and resources'. The action plan developed in response to the peer review has not been consistently reported to elected members, and overall progress has been slow. A common theme in many improvement projects and initiatives is the need for the council to be clearer about its intended outcomes and impacts, and to follow through more rigorously to ensure these are achieved. The recently agreed strategic priorities will provide a framework, and members and senior officers now need to build on this.

### Exhibit 3

#### Committee structure



Source: Aberdeenshire Council

**26.** The council has a number of leadership and management development initiatives. Some, such as the Chrysalis development programme for women managers, can demonstrate measurable improvements. The council has developed a clear, comprehensive Leadership Development Programme for senior and middle managers. The programme is based around leadership behaviours, includes 360 degree profiling and is linked with an appraisal system for senior staff. The council's own evaluation of the programme indicates positive outcomes, such as improved leadership, increased confidence, greater understanding of the desired leadership behaviours and a more effective approach to managing performance. The council plans to measure the impact of this programme through its resident and staff surveys.

#### Political structures

The council's political structures work well and are increasingly effective in ensuring that policy decisions are responsive to local views. Council decision-making is open to public scrutiny.

**27.** The council has developed a consensual style of politics through a history of coalition administrations. The previous administration (2003) was a coalition between the Liberal Democrats and eight Independents. The current administration is a coalition between the Liberal Democrats and Conservatives. Almost half of the elected members on the current administration are new to the council.

**28.** Since May 2007, the new leader of the council and the chief executive have developed an effective working relationship. More generally, good professional relationships are in place between elected members and senior officers, who work well together.

**29.** The council established a devolved decision-making structure in 1997. The vast majority of council decisions are devolved either to policy

or area committees, or to officers, with very few decisions reserved to full council; reserved matters relate primarily to establishing the financial arrangements for the council, including setting the council tax rate and housing rents. This can mean that a small group of members have the opportunity to contribute to debate and decision-making on major issues. The committee structure (Exhibit 3) is broadly aligned with the managerial structure and planning framework. There are clear relationships between policy committees and directors, and area committees and area managers.

**30.** The area committees' delegated role includes approving area policies for the delivery of all services, consistent with any council-wide policy. They are responsible for statutory functions, including planning and building control, which represents a major part of their business. They also monitor the effectiveness of service delivery in their area. To enable them to support and promote local community initiatives, area committees have a small delegated 'top-up' budget of approximately £60,000, with a maximum of £5,000 available for individual projects.

## Exhibit 4

### Marr and Buchan Area Committees

#### Marr area

The Marr area covers a large rural area in the west of Aberdeenshire, with a population of approximately 34,500, and covering 2,942 km<sup>2</sup>. This represents 47 per cent of the land area covered by Aberdeenshire Council and encompasses a large part of the Cairngorm National park area. The area contains over 30 towns and villages, and many other smaller settlements. Marr Area Committee exhibits a strong sense of consensual politics with all the councillors working as a team to deliver on local priorities. Ten councillors represent constituencies in the Marr area: four Conservatives, four Liberal Democrats and two SNPs. Area committee meetings are held in public, and there is an open forum that allows the public to ask questions of the committee.

The work of the Marr area is overseen by an area manager who provides strong community leadership and is a visible representative of the council in the local area. The area management team comprises representatives from the main front-line service areas. The team meet every four weeks and address service issues at a local level, and are responsible for drafting the Marr Area Plan and reporting progress against it.

The local priorities are set out in the Marr Area Plan 2007-10. The plan sets out the priorities and aspirations for the local area, as developed and consulted upon with local community groups, against the council's key strategic themes. It sets out clearly the service responsible for delivering the priority and in identifying the resources available. The monitoring of the plan is reported to the area management committee on a six-monthly basis and gives more detailed information in relation to resources and target for completing of the priority. There are strong partnership arrangements in the Marr area to deliver for the local communities. Although relatively new, having been set up in the last year, the Local Community Planning Group has representatives from the police, fire and rescue, health, the Cairngorms National Park, CVS and from local community groups and community councils.

#### Buchan area

The Buchan area is located in the north east of Aberdeenshire, with a population of approximately 39,000 and covering an area of 587 km<sup>2</sup>. The major town is Peterhead, still one of Europe's largest white fish ports. The area has seen many changes with the decline of the fishing industry, although this has now stabilised, and with the presence of the oil and gas industry. Agriculture is also important and work is continuing to widen the area's economy. The Buchan Area Committee meets in public and has 11 elected members: five SNPs members, three Independents, two Conservatives and one Liberal Democrat. The Buchan Area Plan 2007-10 sets out the council's key actions and projects for the next three years. The area manager provides strong leadership for the area management team, ensures good linkages with the elected members on the Buchan Area Committee and supports local Community Planning.

Peterhead contains one of Aberdeenshire's two areas which are eligible for community regeneration funding. A Regeneration Outcome Agreement is in place and has funded the Hotspot, a community drop-in facility providing support on health and well-being, money matters, and internet access; this opened at the end of 2007. Peterhead is also part of the Aberdeenshire towns' partnership, supporting economic, environmental, and social cohesion programmes. A Rural Buchan Regeneration Strategy aims to promote physical, social, and economic regeneration in smaller settlements in the area. Buchan Development Partnership (BDP) is the local rural partnership. It has been instrumental in a number of initiatives, including 'Planning for Real' exercises, which have generated community action plans for settlements such as New Pitsligo.

Source: Audit Scotland

**31.** We looked in more detail at two areas, Marr and Buchan ([Exhibit 4](#)). Area committees generally proceed on a consensual basis, bringing good local knowledge to the consideration of the issues before them and are increasingly responsive to local priorities. The views of area committees are taken seriously during

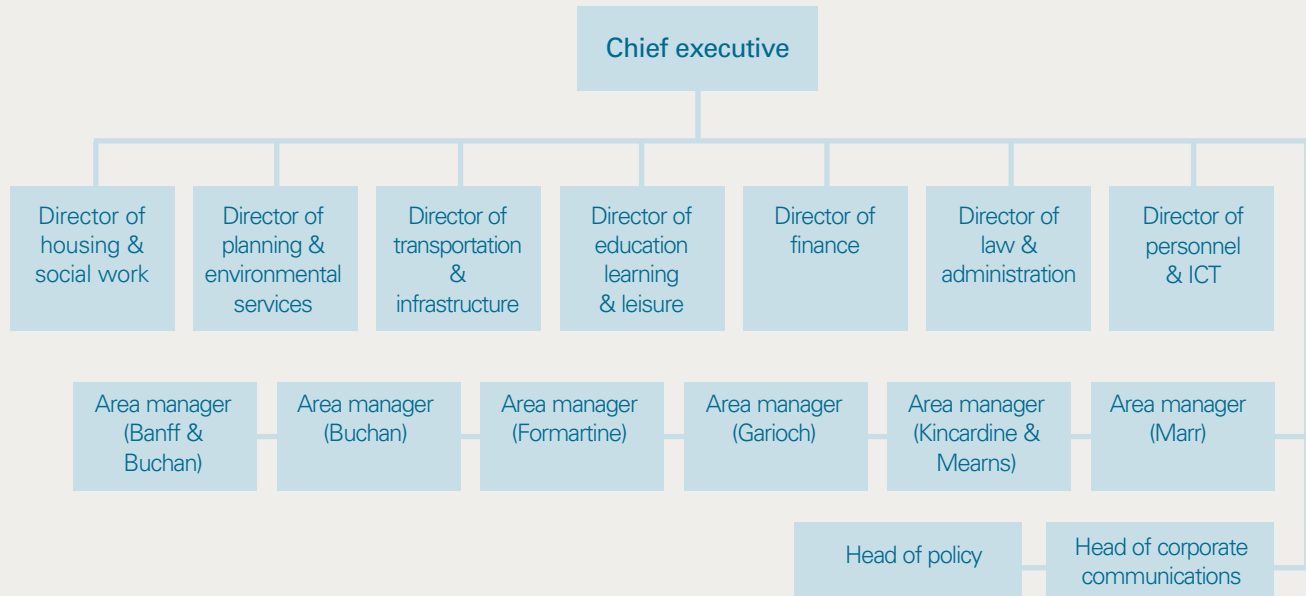
policy committee considerations. The council has recently introduced policy discussion papers to area agendas, helping to ensure local views are better reflected in policy development. The approach has been applied consistently across area committees, but initial indications are that its effectiveness varies, with those committees able to present a

cohesive view having more influence over policy decisions.

**32.** All committees meet in public, except for specified items where information is judged to be exempt under statutory confidentiality provisions. Papers and previous minutes are available from the council's website a week in

## Exhibit 5

### Managerial structure



Source: Aberdeenshire Council and Audit Scotland

advance of each meeting, and area committees in particular are often well attended by the public, in part due to their planning and development control role.

### Management structures

Senior management have a cohesive approach, and the management structure helps to provide capacity and resilience. However, it fosters an operational focus at the expense of strategic management, and there is scope to rationalise it.

**33.** The council has a traditional management structure, with four directors leading the delivery of front-line services and three directors leading support services (Exhibit 5). An area structure is overlaid on this, with six area managers supporting the work of area committees. The chief executive is also supported by a head of Policy and head of Corporate Communications.

**34.** Senior management works closely together, resulting in a cohesive and consistent approach.

The Corporate Management Team (CMT) meets weekly to discuss corporate and operational matters. It consists of the chief executive, seven directors and six area managers. The Strategic Management Team (SMT) consists of the chief executive, all directors, two area managers and the heads of Policy and Corporate Communications, and meets quarterly to discuss strategic matters. Directors are co-located beside the chief executive and meet briefly every morning to discuss emerging issues.

**35.** The area managers report to the chief executive and have a key role acting as a conduit between the local community and the council. They head-up area management teams, which include representatives from service departments, and chair the local Community Planning partnerships. The area managers have administrative support but are not responsible for service personnel.

**36.** The number of senior management positions helps to provide capacity and resilience, but the structure would benefit from rationalisation to provide greater clarity

and strategic focus. Senior staff spend too much time on operational detail to the detriment of strategic management. Performance management information is not routinely considered by either the CMT or SMT. This results in a lack of strategic focus on how well the council and its services are performing overall. It also limits consideration of opportunities to redirect resources across the council to address areas of poorer performance.

### Setting a clear direction

The council has set out its overall direction well, with a clear vision now supported by well-defined strategic priorities. In the past, service plans were well articulated, but they were not clearly linked to corporate and area priorities. The improved clarity of overall direction provides a more effective basis for planning, but it is too early to see how well the new planning and performance management framework will work.



### Vision

**37.** The council agreed a clear vision for the area in October 2006 (Exhibit 6). It took an inclusive approach to the development of the vision and cascaded it through staff communications, and the vision is widely recognised and accepted throughout the council and by its partners. The council stated its intention to measure its progress in achieving the vision, but this work has not been progressed due to recent changes to the overall planning and performance management framework. The intention is that the vision cascades through all aspects of the performance management framework, from the community plan through service plans and area plans. In the interim, the council has identified relative performance as measured by statutory performance measures as an indicator of how well it is achieving its vision. Using this measure, it is clear there is much still to be done.

### Planning framework

**38.** The council is in transition between its existing Performance Management Framework (PMF) and a modified approach (Exhibit 7, overleaf) which takes a more thematic approach, with the aim of linking all planning more closely to strategic objectives. This follows a review of business planning, in March 2007, that identified some key weaknesses in its existing approach, including: lack of linkages between plans; too many plans in place; lack of monitoring; and lack of meaningfulness to employees. The intention is that the new approach will address these issues and provide a more cohesive approach.

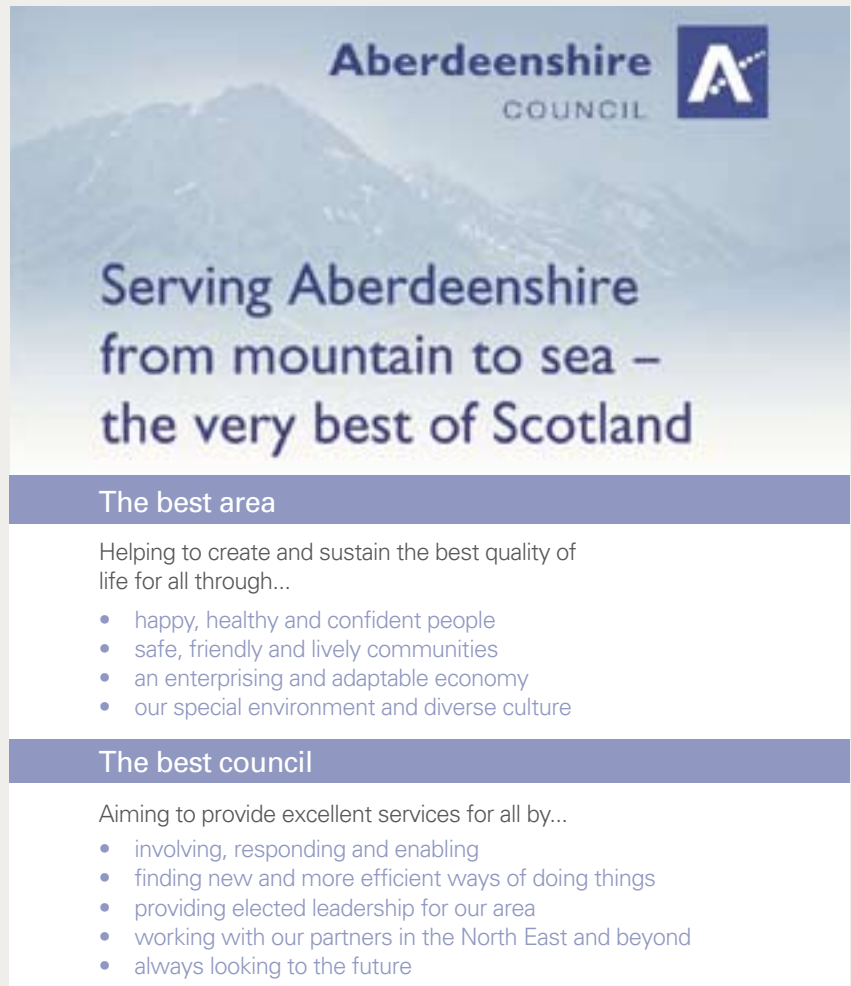
**39.** The council has made good progress with the new approach; the strategic priorities have been agreed and linked to the Community Planning themes and national priorities. It intends to introduce thematic service plans and local community plans from April 2008. A new corporate improvement theme pulls together all current and emerging improvement plans.

### The community plan

**40.** The second Aberdeenshire Community Plan 2006-10 has

## Exhibit 6

### Aberdeenshire Council Vision



**Aberdeenshire**  
COUNCIL

**Serving Aberdeenshire  
from mountain to sea –  
the very best of Scotland**

**The best area**

Helping to create and sustain the best quality of life for all through...

- happy, healthy and confident people
- safe, friendly and lively communities
- an enterprising and adaptable economy
- our special environment and diverse culture

**The best council**

Aiming to provide excellent services for all by...

- involving, responding and enabling
- finding new and more efficient ways of doing things
- providing elected leadership for our area
- working with our partners in the North East and beyond
- always looking to the future

Source: Aberdeenshire Council

been developed around five major Community Planning themes. The themes were identified through consultation with residents and are based on the context in which Aberdeenshire operates. The themes are:

- community well-being (including community safety)
- jobs and the economy
- lifelong learning
- sustainable environment
- developing our partnership.

**41.** Although the community plan contains clear overall objectives in

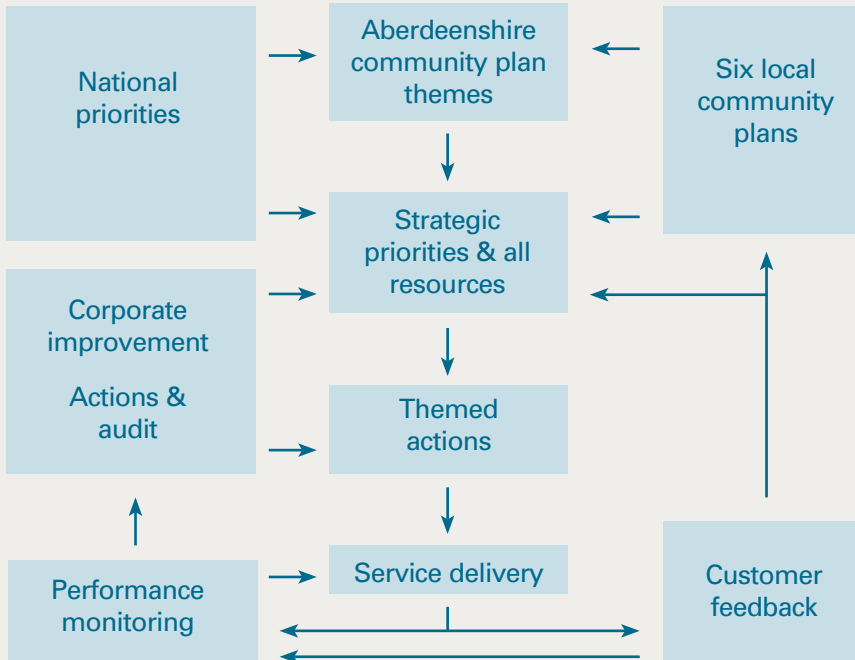
relation to meeting the themes, it lacks details of specific actions to be taken and fully specified performance indicators. There has been limited reporting of progress against the community plan until recently; the Aberdeenshire Community Planning Partnership (CPP) published its first annual report for 2006/07 in the summer of 2007. This outlined actions and progress against initiatives during the year, together with performance against a small number of high-level indicators.

### Strategic priorities

**42.** Strategic priorities have been well defined, clearly specifying the actions that the council intends to take and the outcomes that it wishes to see as

## Exhibit 7

### Revised performance management framework



Source: Aberdeenshire Council

a result. The council recently approved its strategic priorities for 2007-11; these replace the previous strategic plan (2003-07). The strategic priorities reflect the administration's priorities for the next four years and are structured around the five Community Planning themes, plus an additional theme of corporate improvement. There are 33 strategic priorities (Exhibit 8) with associated key actions. Outcome measures have been developed and are tied to each theme. This provides a good basis for more detailed planning and overall performance monitoring.

#### Area plans

**43.** Area plans are not effective in ensuring that area priorities are reflected in service plans. Area committees approve their own annual area plan and monitor it on a six-monthly basis. Although there are some linkages between these area plans and service plans this is generally at a high level. Area plans have been more aspirational than practical, and the content of area plans has not been carried through to service plans. The council intends to replace the

area plans with local community plans for 2008/09, but elected members and CPPs have concerns about how the new plans will work in practice, particularly about how the area priorities will be reflected in the themed actions. The council will need to ensure that the new local community plans are more clearly linked to other plans and the performance management framework. This will help it to balance competing demands on resources.

#### Service plans

**44.** Service plans exist for each of the eight council directorates. Although the council has recognised limitations in the extent to which these were effectively linked to, and consistent with, corporate and local priorities in implementing its revised approach, existing plans provide the foundations of an effective approach. Actions are clear and linked to resources. The new approach for 2008/09 will replace service plans with themed actions. Work programmes will be prepared by heads of service to take account of the strategic priorities and themed actions.

## Community engagement

The council is committed to community engagement, and is very active in seeking the views of the local community, making widespread use of surveys. However, this work could be more effective, with no systematic approach to consistently inform policy and service delivery. An opportunity is being missed to share experiences and best practice, and to improve coordination of all community engagement activity.

**45.** Community engagement initiatives are widespread across the council and have influenced many council activities. However, there is no clear evidence that they are producing information that is used systematically to inform policy and service delivery. In its recent Communications Strategy, the council recognises the need to develop a more systematic approach to consultation, but the overall approach to community engagement is not currently well articulated.

**46.** Area committees provide a focus for direct engagement with local communities, but there is a lack of consistency in how they do this. They need to remain responsive to local circumstances, but the council would benefit from sharing existing good practice. For example, some area committees host public question-time sessions at the beginning of their meetings.

**47.** The council has undertaken an annual residents' survey since 2000. A full-scale survey is carried out biannually with a more detailed survey on key aspects of service provision undertaken in-between. The survey measures perceptions, opinions and experiences, including overall satisfaction ratings. The 2007 annual residents' survey shows that 48 per cent of respondents were satisfied with the council as a provider of local services. While 38 per cent of respondents believe that local individuals can have an influence on council decisions, only 29 per cent believe that the council communicates its decisions to the wider public, and 62 per cent of

**Exhibit 8**

## Strategic priorities 2007-11

Theme	Strategic priority
Community well-being	Enhancing community safety
	Delivering services for children, young people and adults
	Delivering health and care
	Providing quality housing services
	Community engagement
	Promoting inclusiveness
	Providing good quality public spaces
Jobs and the economy	Promote Aberdeenshire locally, nationally and internationally as a location for employment, living and leisure
	Attract and support businesses
	Improve the transport network
	Maintain road infrastructure
Lifelong learning	Effective targeting of resources
	Improved early years opportunities
	Improved achievement for all
	Improved inclusion and participation across the service
	Improved access to sport and cultural activities
	Enhanced community learning and development
Sustainable environment	Reduce Aberdeenshire's global footprint
	Achieving sustainable development
	Protect and promote the historical environment
	Protect and promote the natural environment
	Managing waste
Developing our partnerships	Developing Community Planning
	Working in partnership
	Sharing services
	Community councils
Corporate improvement	Efficiency
	Outcome focus
	Delivering high-quality customer service
	Effective corporate communications
	The best workforce
	Managing our buildings and facilities
	Managing financial resources

Source: Aberdeenshire Council

respondents believe that consultation is 'just for show'. Targets have been established in a consultation action plan to improve these figures by 2010. The council acknowledges that it needs to make improvements in monitoring how the survey results are being addressed.

**48.** The CPP conducts quarterly surveys using Viewpoint, the Aberdeenshire citizens' panel, which has around 1,300 members. The most recent survey (November 2007) focused on home safety. Previous surveys have covered health, culture, antisocial behaviour, transport, and housing. NHS Grampian used Viewpoint to consult on its 2007/08 Health Plan. There is generally a high level of response – at around 70 per cent – to the surveys. Newsletters detailing the panel's findings are sent out to members after each survey, and information is available on the council's website. The council is reviewing its arrangements for coordinating and monitoring the results of survey activity.

**49.** The education, learning and leisure service developed a Communication and Consultation Strategy in 2007. Other community engagement activity has included 'Planning for Real' events in the community, tenant participation events and consultation activity on public transport via local bus forums. The Community Planning themes were developed through consultation with residents.

**50.** The council works with a variety of community and voluntary groups. It has a Voluntary Sector Policy that covers matters including the roles of the council and voluntary sector organisations. There are over 70 community councils, represented by a member on the CPP board. A code of practice sets out arrangements for exchanging information between the council and the community councils. Three councils for voluntary service represent the interests of the voluntary sector in the CPP.

**51.** The council's Scrutiny and Audit Committee (SAC) carried out a review of public consultation,

communication, and engagement as part of its 2003/04 work programme, resulting in 17 recommendations. Several of the recommendations have only recently been addressed, including the development of a communications strategy, the appointment of a consultation coordinator and development of a consultation action plan.

**52.** The council acknowledges that it has to improve its approach to public performance reporting (PPR). It publishes an annual PPR, which is a comprehensive document noting progress made against the strategic plan, and provides an overview of service performance. The most recent report was published more than eight months after the end of the year to which it relates and has limited circulation, with copies available to the public through libraries, other public offices and from the council's website.

**53.** There are some good examples of service performance reporting. Tenants were very influential in the development and design of the housing annual performance report, *Performance Matters!*, which was distributed at the end of 2007. This uses colour and clear graphics to convey information on topics including repairs, antisocial behaviour cases, lettings, and rents, and it has been well received by tenants. A summary of the housing management service's performance is also reported to tenants via a quarterly newsletter.

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



The council has established a culture of continuous improvement and has put many of the building-blocks in place to support the delivery of improved services. It has a good performance management framework, supporting increasingly effective scrutiny processes. Financial management is sound and it is making improvements to asset management. Staff are motivated and involved, and the single status agreement has been implemented without adversely affecting staff relations. A significant investment is made in reviewing how things are done, using a variety of techniques including European Foundation for Quality Management (EFQM) and Kaizen.

A more strategic and coordinated approach is needed to ensure maximum impact from the significant resource invested, making sure that improvement activity has a clear impact on delivery and efficiency. The development of risk management has been slow, and although the council works well with partners on individual projects, improved leadership is required to ensure that the CPP works more effectively together to deliver better outcomes and services. The council must do more to demonstrate the competitiveness of its services.

### Working with partners

Community Planning in Aberdeenshire has been in place for a long time, but much of its activity remains focused on developing partnership arrangements. Progress in establishing clear priorities and associated actions has been slow. The council needs to improve its strategic leadership of Community Planning to ensure that all partners work more effectively together to deliver better services and outcomes. The council is involved in extensive joint working and generally works

## Exhibit 9

### Structure of Community Planning partnership



Source: Aberdeenshire Council

well with its partners on individual projects. It needs to take a more structured approach to reviewing the effectiveness of specific arrangements, being clearer about the role each plays in addressing overall priorities and how they fit with Community Planning.

**54.** Aberdeenshire has had a CPP since 1999, widening participation in 2006 with the inclusion of community and voluntary interests. The current structure was introduced in 2006, with the Community Planning board chaired by the leader of the council (**Exhibit 9**). All subgroups are operational although some, including the local Community Planning groups (LCPGs), are at a relatively early stage of development. Significant work is still required to establish initial local community plans from April 2008.

**55.** More needs to be done to ensure that the partnership provides clear and effective direction. While the partnership has agreed five key themes, described in broad terms in the community plan for 2006-10, it has been slow to establish clear priorities and associated actions. Proposals have been considered by the board and the executive on several occasions, but partners have failed to agree the way ahead, primarily due to concerns about the underlying quality of proposals. Our survey of CPPs found that only 35 per cent of respondents thought that meetings of the partnership are effective in agreeing actions to deliver priorities. A minority (37 per cent) of respondents consider that elected members had provided effective leadership in the partnership. Many more (62 per cent) considered that the leadership shown by senior council officers was effective.

**56.** In some areas it is clear that partners have been effectively involved, taking lead responsibility for particular theme areas or projects. For example, the development of Aberdeenshire's youth engagement strategy, Valuing Young People, was taken forward primarily under the direction of Grampian Fire & Rescue Service. This has helped to widen ownership. However, only 37 per cent of respondents to our survey considered that all partners are fully involved and, overall, Community Planning is not fully effective in enabling the partners to work together to deliver improved services.

**57.** The Community well-being forum is developing integrated approaches to health improvement. NHS Grampian is leading the work and has implemented a pilot project in Buchan. The work was commissioned by NHS Health Scotland. The overall aim is to develop an integrated system so that health outcomes may be monitored and complementary contributions from the health service and other Community Planning partners can be identified. It is too early to comment on the effectiveness of the approach.

**58.** Some progress has been made in improving community engagement, but further improvements are required to increase effectiveness. LCPGs are beginning to address issues such as capacity building and improved community profiling. In Banff and Buchan, the LCPG brought together partner agencies to give migrant workers the opportunity to find out more about local services. LCPG members in Formartine attended local events to raise the profile of Community Planning. The partnership has endorsed the National Standards of Community Engagement, although implementation is patchy.

**59.** Community Planning has helped strengthen relationships by bringing CPP partners together on local issues, but there remains uncertainty among partners about how the overall framework should work. Significant effort has been invested to clarify the respective roles and remits of different groups within the Community Planning framework and their linkages. The board adopted a partnership agreement in 2006 and in November 2007 it agreed a report on roles and remits. However, many of the individuals involved remain unclear about the split of responsibility, and only 25 per cent of respondents consider that the different parts of the CPP work well together.

**60.** Much of the partnership's work continues to focus on its own arrangements. The board has considered Audit Scotland's baseline review of Community Planning, *Community Planning: an initial review*, and has identified a number of key actions it requires to take, including incorporating risk management into the partnership's work and agreeing a small number of clearly specified priorities. The partnership has agreed to conduct a review of Community Planning by the end of 2008, using the Audit Scotland framework and benchmarking against other CPPs.

**61.** The council is an active partner in joint working arrangements, ranging

from large-scale formal partnerships linked to national policy such as community health, community safety and regional transport, to looser arrangements to support partnership working at a local level. For example, the economic development service has been involved in supporting around 400 organisations to work together for the benefit of local communities in rural and town partnerships. Many partnership arrangements involve Community Planning partners, while others have members drawn more widely from the North-East of Scotland.

**62.** The North East of Scotland Joint Public Sector Group was established in 2000 to set the strategic direction for a fully integrated public sector in the region. This officer-led group includes the chief executives of Aberdeenshire, Aberdeen, and Moray Councils, together with their counterparts in NHS Grampian and Scottish Enterprise Grampian, the chief constable of Grampian Police, and the chief fire officer of the Grampian Fire & Rescue Service. Current strategic priorities for the group are property and asset sharing; procurement; fleet management; HR; and IT. It is also addressing the priority issues of delayed discharges and road safety throughout the North-East.

**63.** In March 2007, a bipartite framework was agreed with Aberdeen City Council, setting out a commitment to work together to improve services and increasing efficiency. This builds on existing partnership work in many areas such as procurement ([paragraph 108](#)), and the two councils aim to identify further areas of common interest.

**64.** The council agreed a partnership and joint-working policy in January 2007, following an earlier review by the Scrutiny and Audit Committee into Governance and Accountability in Joint Working (2006). The policy sets out a number of actions to formalise

aspects of the council's approach, including the development of a register of partnerships and a three-yearly review to ensure compliance with the policy. Many of these actions have yet to be implemented.

**65.** Aberdeenshire towns partnership (ATP) is regarded as a model of good practice in partnership working and was commended for helping to develop sustainable communities at the Scottish Awards for Quality in Planning in 2003. The partnership recognises the importance of the area's towns as commercial and social centres and has supported a range of local projects ranging from farmers' markets to local regeneration projects. The CPP intend to integrate the ATP into the Community Planning structure by the end of 2008.

### Performance management and reporting

The council has a good performance management framework in place supporting regular reporting of service performance to elected members. More can be done to rationalise the quantity and quality of the information reported. Recent changes have helped to link information better to overall priorities, but management needs to both take greater ownership of corporate and service performance and ensure that the tools in place are used effectively.

**66.** The council has a good PMF in place, collecting and reporting performance information across the range of council's activities. The framework supports detailed reporting and scrutiny of performance by policy and area committees. Elected members are actively seeking improvements to the available information and the way in which it is presented. A new approach to monitoring the strategic priorities has been agreed and will draw on existing performance information. The first baseline report was presented to committee in February 2008,

with further reporting planned at six-monthly intervals.

**67.** Performance reports on strategic priorities and service plans describe desired outcomes and trend information, and explain poor or deteriorating performance. Targets and tolerances are established for some indicators, although this is not done consistently.

**68.** Key performance indicators have been established by each service. These are linked to core activities and results, as identified in service plans, such as improving school attendance levels, supporting children in need, and improving housing and water supplies. Indicators are restricted to those under the sole responsibility of the council and do not extend to partnership activity. Where possible, they are measured monthly and data is analysed to an area level. Key measures are reported quarterly to policy committees, with information broken down to area level for area committees. Service plan monitoring reports provide details of progress of projects and initiatives to policy committees biannually. Both the key measure reports and the service plan reports support scrutiny of performance, but there is the potential to rationalise the current reporting arrangements, making information to some committees more digestible.

**69.** The council has outlined its achievements against the strategic plan (2003-07) in its annual public performance report for 2006/07. Although the plan lacked fully specified outcome measures, the council reported progress under its key strategic intentions through the use of narrative on specific projects and SPI information. The council has recently amended its approach to monitoring and reporting following the establishment of its new strategic priorities and aims to draw together existing performance information on a thematic basis, linking these to cross-cutting priority areas and outcomes.

**70.** Extensive reporting to committee is in place, but the

CMT does not routinely review and respond to service performance. There is also limited ownership of performance information among middle management, and links to the objectives and accountability of individuals and teams are limited.

**71.** Some SPIs have been incorporated into the PMF. The council reported a comprehensive analysis of comparative SPI performance during 2007, recognising the need to consider this information more systematically. More thought needs to be given to how relevant comparative information is incorporated into future strategic monitoring reports.

### Scrutiny

Well-established arrangements have provided a good forum for detailed scrutiny. These are being enhanced by better performance information. Early signs are that scrutiny of policy implementation and service delivery has become increasingly effective since the May 2007 elections. Scrutiny of decision-making is limited.

**72.** The SAC reviews the effectiveness of policy implementation and service delivery. It consists of 11 elected members; four SNPs, three Scottish Liberal Democrats (one of whom is the chair), two Independents and two Conservatives. Area committees monitor the effectiveness of council work within their area and policy committees scrutinise relevant performance information. While it remains too early to fully assess the impact, early indications are that scrutiny of performance has been enhanced as a result of recent improvements to the format of performance reports. Observation of committee meetings shows that elected members challenge effectively, increasingly holding officers to account.

**73.** The well-established SAC has provided a good forum for detailed scrutiny and has been effective as an audit committee. The committee undertakes a programme of annual reviews informed by spending



priorities, service performance and the views of staff and residents. Recent reviews have included Decentralisation of Decision-Making, Developer Contributions, and the Management of Public Toilets. The committee produces well-researched, evidence-based recommendations, which are picked up in plans and policies. However, the committee has only recently started to follow up the implementation of recommendations.

**74.** The council's scheme of delegation provides for extensive delegation of decision-making to area and policy committees. On occasions where at least a third of committee members have voted against a decision, there is provision for those members to refer a decision to full council, offering the opportunity for further scrutiny. However, this facility is little used and as a result there is limited scrutiny of decision-making outwith the responsible committee.

**75.** In a well-publicised case, the infrastructure services committee refused an outline application for a golf course and resort development at Menie House, Balmedie in November 2007. This decision was taken in accordance with the scheme of delegation that had been in place since April 2002. The council recognises that the effect was to exclude the majority of members from participating in the decision-making and scrutiny process in relation to a key strategic issue, and has subsequently amended its scheme of delegation. The right to determine major planning applications of regional or national significance, as identified by the director of planning and environmental services, is now considered by the full council.

## Managing resources

### People management

The council recognises the importance of its staff. It has implemented the Single Status Agreement while maintaining motivation and good staff relations. However, it needs to take a much more structured approach to key elements of people management, by introducing an overall people strategy, better workforce planning and more effective application of its employee development scheme. Difficulties in recruitment and retention have led to poor performance in some services.

**76.** Staff are generally well-motivated and committed. There is a good understanding and widespread ownership of the council's vision. The council has maintained good relations with staff and the trade unions throughout the implementation of the Single Status Agreement. The council has conducted employee surveys every two years since 2000, the most recent in 2006. This showed a mixed picture, with positive trends in understanding the direction of the council and the extent to which people believe their work is recognised, but a decline in the perception of senior management visibility since 2004 and in the proportion of employees who feel they have an appropriate work-life balance. Action plans have been developed and progress is monitored. For example, the 2006 survey identified concerns about the council's communication and engagement with its staff. As a result, improvements have been made for example, core briefings to disseminate key messages and facilitate team briefings, a new staff newsletter and better use of the intranet.

**77.** HR are managed centrally through a personnel section. A draft workforce strategy was prepared in January 2006, but progress since then has been slow. The CMT has recently

identified additional resources to take this forward, but the current timetable for the development of the workforce strategy outlines key development dates as far ahead as 2011. The council is developing its employee management information system to provide staffing profiles to better inform its strategy.

**78.** The council implemented the Single Status Agreement from July 2007. This was supported by communication and consultation with all staff. The council has received around 2,500 appeals and is currently reviewing them. The council is undertaking a series of modernisation reviews, leading to the restructure of services and teams in the areas affected by single status. The review process considers service delivery requirements, the structure required to deliver these, the numbers and levels of employees required and the job redesign and training and development requirements for all employees. The practical effect of this has been that many individuals who would otherwise have faced a reduction in pay are now performing enhanced roles.

**79.** The council has difficulties recruiting and retaining staff in key services, including teaching and planning, due to low unemployment rates and national skill shortages. There is a history of underspending in some services due to high, unplanned vacancy levels, and poor planning. The council is using innovative approaches to attract key staff, for example, improved advertising, open days in outlying towns such as Aboyne and Banchory, and creating a pool of staff for services such as cleaning and catering. There have also been efforts to recruit from overseas and the council has made links with universities to improve recruitment of graduate planners and teaching staff.

**80.** The council relaunched its staff appraisal and development system, the Employee Development Review Scheme (EDRS) in 2005. It still covers only 35 per cent of

employees and, where it is in place, is used inconsistently. The council acknowledges this and is taking action, such as establishing targets to increase commitment to the process.

**81.** Better planning for training and development is needed, linking development requirements identified by the EDRS more effectively to training programmes that are designed to meet these. Staff raised concerns that there are significant delays between appraisals and the ability to access training identified within the EDRS.

### Managing finance

The council demonstrates sound financial management. Budgets and service plans are considered together, but there is scope to link financial resources more effectively to council priorities and to introduce longer-term financial planning.

**82.** The council spends around £400 million each year on services and has demonstrated sound financial management. Financial reserves are maintained around the targeted level of £5 million. Through prudent budgeting, the council was able quickly to restore its financial reserves to the target level after making payments of £21 million in 2006 to settle equal pay claims. Single status costs have been included in the 2007/08 budget (£14.7 million) and 2008/09 budget (£16.2 million).

**83.** The council produces three-year rolling revenue budgets and five-year capital plans, providing a firm base for managing its finances in the short to medium term. However, it does not project budgets further ahead than these timeframes and there is no comprehensive long-term financial strategy that incorporates the anticipated effects of long-term demographics and borrowing levels. This leaves the council exposed to the risk that the longer-term implications of previous spending decisions could restrict their ability to achieve objectives beyond the three-year revenue budgeting horizon.

**84.** There is little evidence of resources being moved to priority areas in recent years, with little change in the proportion of the overall budget allocated to each service. Service plans and financial plans are considered jointly. The council has been piloting an approach to policy-led budgeting for two years. This has highlighted a number of issues, for example, budget structures that don't reflect key service activities, and varying definitions of a 'core activity'. Work is continuing on the pilot and the council needs to bring this to a conclusion.

### Managing assets

The council is developing a formal approach to asset management planning. The council does not yet have a strategic plan for asset management, but it has a clear idea of the investment levels required, which are significant. Joint working takes place with other bodies, but more can be done to take a more joined-up approach across the council.

**85.** The council does not have a corporate asset management plan. There has been significant slippage in the original timetable to put an initial plan in place by June 2006, but the council now expects to finalise it soon. Key decisions require to be taken about how assets can be used efficiently and effectively to best support the council's overall priorities for service delivery.

**86.** Since 2006, the council has been assessing the condition and suitability of its asset base. Work to date indicates that 50 per cent of the 1,200 operational properties are below recognised acceptable standards. A large proportion of the industrial estate needs refurbishment and modernisation, and a significant amount of high-priority maintenance work is required. The council estimates that expenditure of £871 million will be required over the next 15 years to get properties to an acceptable standard, including priority expenditure of approximately £200 million on schools, for which the council has yet to identify funding (see paragraph 136).

**87.** The Public Sector Property Group (PSPG) is a subgroup of the North East of Scotland Joint Public Sector Group. The subgroup was set up to strengthen relationships between members on property issues. There is some evidence of the effectiveness of these arrangements, with Grampian Police sharing accommodation at Woodhill House from June 2007. However, some services are apparently unaware of its work, and there remains scope to improve asset utilisation through joint working with partners or between services.

### Managing risk

Risk management has been slow to develop and is not effective. A start has been made but there is much to do before systematic risk management is embedded across council business.

**88.** The council has a strategy with plans for improving its risk management arrangements. The Corporate Risk Management Steering Group has responsibility for all aspects of risk and is chaired by the director of personnel and ICT. The group is charged with ensuring a consistent approach to risk management, both corporately and at service level. A risk management adviser is expected to be appointed shortly, providing further capacity, and will be responsible for developing risk management, emergency planning and business continuity planning within the council.

**89.** Progress with risk management has been slower than anticipated and the initial (May 2006) and revised (September 2006) target dates for risk registers to be in place within all services were missed. Although high-level corporate and service risk registers are now in place, arrangements for regular monitoring and review remain to be established. Elected members and the CMT are yet to properly engage with risk management, and risk is not yet systematically considered in much of the council's business.

**90.** The council acknowledges that more needs to be done to embed risk management throughout the organisation. It has also recognised the need to extend risk management to Community Planning and is developing community risk action sheets.

**91.** Tested emergency and business continuity plans are not yet consistently in place to address the risk of events such as fire or system failure, resulting in loss of service. The corporate risk management steering group has an emergency planning and business continuity subgroup which is tasked with developing these plans, and it is anticipated that business continuity plans will be in place by December 2008.

### Continuous improvement activity

The council has established a culture of continuous improvement, but its activities lack a strategic focus and a coordinated approach to ensure maximum impact from the significant resources invested. The improvements and efficiencies that have been made are not systematically identified. The council needs to do more to demonstrate services are competitive.

**92.** The council has established a culture that encourages continuous improvement, and invests significant resources in reviewing how it does things. It commissioned an IDEA peer review in 2005 and has a range of approaches, including the Aberdeenshire Improvement Model, best value reviews, Kaizen process reviews, SAC investigations and modernisation reviews linked to single status. It is open to trying new approaches and has shown a willingness to improve planning processes and performance management arrangements.

**93.** This range of activity has led to some improvements. However, the council needs to take a much more coherent approach if it is to maximise the value it obtains from the overall resources invested.

There is no overarching structure to enable priorities to be set, delivery to be managed, proposals to be followed through and benefits to be evaluated systematically. Individual review processes do not link to one another and overall aims are unclear. As a result, the council is unable to demonstrate that much of the review activity undertaken has benefited citizens and service users.

**94.** The Best Value Lead Officers Team (BVLOT) has been in place since 1997. It was involved in developing the Best Value process as well as monitoring progress with improvement actions from individual best value reviews. More recently, the group has been focused on preparations for the Best Value audit. The group now appears to lack a clear direction as to its continuing role. There is no overall coordination by elected members of review activity. The work of the Best Value subcommittee has been subsumed into the policy and resources committee, but this committee does not systematically consider overall review activity.

**95.** The council involves a range of stakeholders in its review and improvement activities. Staff are generally positive about their involvement. Other stakeholders such as community councils and public agencies, including Visit Scotland, are involved across a range of review activity, including providing evidence to SAC.

**96.** In some cases, an evaluation of the impact of individual projects has been undertaken, but assessment is patchy and not completed or reported systematically. Individual reviews are done in isolation, and limited consideration is given to the impact on other areas or the resources available to progress proposals. Often, this leads to delays in making the changes that reviews have identified as necessary, or on occasion nothing happens at all. No overarching review of overall approaches has been undertaken to establish what works best. As well as hampering the ability of the council to demonstrate the benefits achieved,

this means it is difficult to identify and promote good practice and other learning.

**97.** The Aberdeenshire Improvement Model is a quality assurance model based on the EFQM Excellence One model. Since 2006, services have self-assessed against nine criteria in the EFQM model and by the end of 2007 all had completed this exercise with a view to influencing the content of service plans. The council has committed to running with this approach for five years and aims to provide a submission to Quality Scotland's Business Excellence Award Scheme in 2009/10. The potential exists for this to become the overarching framework to focus continuous improvement across the council, but it currently operates largely in isolation from other improvement activity.

**98.** The council has carried out a comprehensive programme of best value reviews across all of its services. Evaluations show that some improvements have been made. The council has stated its intention to continue with further reviews but no specific programme is in place and the approach seems to have lost momentum.

**99.** The council introduced its approach to Kaizen in 2004 and has received a Gold Cosla award and a European Excellence award in recognition of the work undertaken. It has carried out 50 Kaizen Blitz events that cover aspects of all service areas, from commissioning care at home to property enquiries. The approach is used to review council activities that are process orientated and aims to improve practices and processes. The council has been enthusiastic in its use of Kaizen, which has been used effectively to involve staff from across the council and at all levels. The council considers that this has delivered tangible improvements to many aspects of its work, and there is evidence of improvements in some areas, although others have been subject to delay.

**100.** The council does not routinely use rigorous options appraisal in its review process and acknowledges that this is an area for improvement. Although the council has introduced an options appraisal manual, which is widely available, very few elected members or staff were able to demonstrate where this approach has been used. Committee reports present only the recommended way forward and do not outline options for members to consider in the committee.

**101.** The council does not use benchmarking in a consistent and robust way. Some services do comparative analysis, for example, housing is involved in peer review as part of the Scottish Housing Best Value Network, and the customer service team is part of a national group coordinated by the Improvement Service. Elsewhere, the council does not systematically review aspects of its performance in comparison to other councils to confirm competitiveness and inform the overall improvement agenda.

**102.** The council has had three significant trading operations (STOs): catering, housing repairs and roads operations. In the three years to 31 March 2007, the housing repairs' and roads operations' STOs met the statutory target. Catering, however, continued to return a cumulative deficit of £2.9 million, mainly as a result of the impact of equal pay costs. If this element had been excluded, catering would have reported a loss of £0.161 million over the three-year period. The council reviewed its trading activities during 2007/08 and concluded that a significant trading account for catering was no longer required and would be replaced with an internal trading account.

**103.** There are another four internal trading accounts: building cleaning, vehicle maintenance, sport and leisure management, and grounds maintenance. [Exhibit 10](#) identifies when individual services were last subject to competitive tendering. Competition has been limited in the services covered by the former Compulsory Competitive Tendering legislation, although roads operations

## Exhibit 10

### Services subject to competition

Service	Provider	Date last subject to competition
Housing repairs	Aberdeenshire Council and Banchory Contractors	1998
Catering	Aberdeenshire Council	1994/95
Roads operations	Aberdeenshire Council	2007/08
Building cleaning	Aberdeenshire Council	1994/95
Vehicle maintenance services	Aberdeenshire Council	Pre-1996
Grounds maintenance	Aberdeenshire Council	Pre-1996
Refuse collection	Aberdeenshire Council	Pre-1996
Street cleaning	Aberdeenshire Council	Pre-1996

Source: Aberdeenshire Council and Audit Scotland

were subject to a competitive tendering exercise in 2007/08. The council needs to do more to demonstrate the competitiveness of its services.

### Efficient government

The council is making some efficiency savings, although slippage in improving procurement has meant that anticipated savings are taking longer than expected to achieve. Overall, a much more rigorous and systematic approach needs to be taken to identify, deliver and capture efficiencies on a continuing basis.

**104.** The council has recognised the importance of delivering efficiency savings as an integral part of service delivery, in order to meet efficiency assumptions built into central government funding settlements and to tackle emerging cost pressures. It has entered into a shared procurement arrangement with Aberdeen City Council, in the expectation of achieving significant efficiencies. It also expects continuous improvement activity

to create cash-releasing and time-releasing savings.

**105.** In 2006/07, the council reported that it had achieved total efficiencies of £2.6 million, including savings from vacancies and absence management (£1.7 million), improved energy efficiency (£0.236 million), debt restructuring (£0.33 million) and streamlining bureaucracy (£0.275 million). No savings were identified from the shared services theme. There has also been slippage in achieving the efficiencies anticipated through procurement, with only around half the level of savings planned for 2007/08 now anticipated ([see paragraph 110](#)).

**106.** The council needs to get better at capturing the efficiencies it achieves from Kaizen Blitz events and other continuous improvement activity. It also needs to target review and improvement activity more effectively at areas where efficiencies are anticipated, making sure that opportunities for efficiency are rigorously identified and delivered in a more systematic manner.

**107.** The council needs to be clear about the impact that planned and actual savings are having on service delivery. In order to claim efficiencies have been achieved, it also needs to show there has been no detriment to service delivery. While the current PMF does provide some information on aspects of service performance, the council does not currently have information systems capable of establishing the impact of financial savings it makes.

### Procurement

The council has a central procurement function operated in partnership with Aberdeen City Council, which has been identified as a centre of excellence for procurement by Scotland Excel. There has been slippage in progressing the procurement agenda, which has resulted in anticipated savings not yet being achieved. A clear procurement strategy remains to be established and staffing issues resolved.

**108.** The council has a long-standing procurement partnership with Aberdeen City Council, which was recently moved on to a shared service basis with the formation, in April 2007, of the Central Procurement Unit (CPU). This will standardise the approach between both councils and benefits will be achieved through the negotiation of joint contracts. A Procurement Board with officers from both councils has been established and procurement decisions are now taken to a Joint Committee of elected members from across the two councils. The council has yet to develop a strategy to achieve the target savings and to deliver the other changes required to meet the requirements of the McClelland report, *Review of Public Procurement in Scotland*. The CPU has been identified as a regional centre of excellence for procurement within the Scotland Excel project.

**109.** There have been some delays in recruitment to the new unit. A head of procurement has recently been appointed, and the main priority is now the development of a procurement strategy. Only around 50 per cent of the posts within the CPU had been filled by the end of November 2007.

**110.** A report from external consultants in 2006/07 identified potential net savings of £14 million for Aberdeenshire over a five-year period. A key factor in achieving these savings is collaborative working. Procurement savings of £1 million were anticipated in the 2006/07 budget but these were not realised. The acting head of procurement confirmed that procurement savings of £1.3 million have been achieved since April 2007. However, significant further savings are required if the £14 million projection is to be reached.

### Equal opportunities

The council has implemented equality schemes covering race, disability and gender in line with statutory requirements. It has also invested in initiatives designed to support the equalities agenda.

**111.** The council has in place the required statutory equality schemes covering race, disability and gender, and there is senior management commitment to equalities. However, the potential exists to streamline the current management structures. Currently there is both a Corporate Equalities Group (established June 2005) and a separate Race Equalities Scheme Implementation and Review Group (developed in 2003). There is no elected member champion for equalities.

**112.** The council has limited information on equalities groups in its area and mainly uses external sources of data; the 2001 census is the main source. More recently the council has used its Residents' Survey and Employee Survey to gather additional demographic information,

and services also gather information in relation to specific activities. Improved monitoring information is required to help focus future effort and demonstrate impact.

**113.** The council remains at the early stages of carrying out Equalities Impact Assessment (EIA) in services. There has been considerable slippage with this work, originally due to be completed by November 2005. A clear way forward has now been established; Corporate Equalities Group members have recently undergone training on the use of the EIA tool and this will be applied using the Gender Equality Scheme. Assessments on key policies and strategies are due to be carried out by May 2008.

**114.** The council has introduced a good practical and inclusive approach to equalities training using an equalities and diversity training DVD and workbook. Since February 2006, this training has been part of the council's induction package. In addition, all councillors have received or are due to receive training in equalities, and a topic entitled 'The Equality Agenda' is included in the Councillor Support Programme. This approach has led to a general awareness of equalities issues among staff and members. The most recent resident survey highlighted that the council is seen to be improving in encouraging equal opportunities.

**115.** The council has made a strong commitment to gender equality. The council's Chrysalis Programme, a women's development programme set up to develop the leadership abilities and enhance the skills of women to support their career progression, has seen a significant change in the number of women in senior management posts. The 2006/07 SPIs show that the council has 80 women (32.3 per cent) in the top two per cent of council employees (248). This is close to the Scottish average of 33.9 per cent, and the trend is upward. The percentage of female employees in the top five

per cent, at 47 per cent, is above the Scottish average of 40.4 per cent, although the trend on this indicator is downward.

**116.** The council is improving the proportion of council buildings accessible to disabled people. The council has reported a year-on-year increase in the number of buildings accessible to the public over the last three years, from a low of 28.3 per cent in 2004/05 to 48 per cent for 2006/07, although it is still slightly below the Scottish average (51.9 per cent). It has a prioritised investment policy that is taking a phased approach and helping the council to improve its performance on this indicator.

**117.** The council promotes a positive approach to the needs of the gypsy traveller community. Although the council only has one official gypsy traveller site, it has developed a number of approaches to unauthorised encampments while addressing the needs of gypsy travellers. This includes working with partners and neighbouring authorities through the Aberdeenshire Council travellers' working group, the Aberdeen City, Moray and Aberdeenshire inter-agency group and the Gypsy Travellers' Education and Information Project. The council has a service level agreement with the last of these groups to identify the needs of gypsy travellers and to work with council services to address those. This includes a 'Good Neighbour code', the provision of refuse and toilet facilities, and regular assessments to ensure that conditions on the site meet the required standards.

### Sustainable development

The council is committed to sustainable development and has made good progress in addressing issues of environmental sustainability. The agenda should be developed to include a more systematic approach to social and economic sustainability issues.

**118.** The council provides good leadership in terms of sustainable development. The sustainability subcommittee of the policy and resources committee has been in place since August 2007. There had previously been an elected member/officer sustainability working group. The directors of planning and environmental services, and transportation and infrastructure lead on sustainability issues. The council's structures and processes have allowed detailed attention on issues of environmental sustainability in particular, and approaches are less developed in relation to social and economic sustainability.

**119.** The council has set out its vision to encourage sustainable working practices and is able to demonstrate progress. The council's Sustainability Charter for 2004-07 is primarily concerned with issues of environmental sustainability and use of resources within the authority. It sets out a series of performance indicators covering waste, energy, travel, and raising awareness. The 2006 Annual Report notes progress on its performance. A new charter for the period from 2008 is under development.

**120.** The council is mainstreaming sustainable development throughout the authority. Council strategies and plans include sustainable development objectives. The local Transport Strategy and the Housing Strategy have wider economic and social sustainability objectives. Committee reports include an assessment of impact on sustainability. Staff briefings have been used to raise awareness on sustainable development. The council has also signed up to the Scottish Climate Change Declaration and has developed a carbon management plan. Staff training in sustainable development issues has been available in the past, although staffing vacancies have affected progress.

**121.** The council is working with its partners to address sustainability issues, although Community Planning activity is not yet well embedded. The Community Planning sustainable environment theme forum was established in 2006; it had its second meeting in November 2007. It is prioritising the issues of energy use in buildings, transport, waste, and sustainable procurement. The council has worked with Aberdeen City Council on the North-East Global Footprint Project. The project will measure the effect that human activity in the North-East will have on the global environment. Partnership working is enabling the sustainable development agenda in Aberdeenshire to be progressed more effectively.

# Part 3. Is the council delivering better public services?



Education, social work, housing services and transport are performing well and this provides a sound base to deal with the key strategic issues facing these services in the years ahead. Performance in other areas such as planning and leisure is more mixed. In areas covered by SPIs, overall performance is currently middling and at risk of falling behind other Scottish councils. Improvements to customer services need more senior commitment to increase momentum.

### Statutory performance indicators

**122.** Each year local authorities are required to report and publish information about their performance against a range of SPIs. Audit Scotland collates the information received from all councils and publishes a compendium of all SPIs together with individual council profiles on its website. 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.

**123.** Aberdeenshire's SPI performance is mixed, with many indicators broadly in line with Scottish averages, but fewer SPIs in the top quarter than average. Of the 82 measures recorded in 2006/07, there were 11 SPIs in the top quartile and 15 in the bottom quartile ([Exhibit 11](#)).

**124.** The rate of SPI improvement is comparatively poor, with performance falling significantly in a relatively high number of indicators. Comparing SPI performance in 2006/07 with 2004/05 ([Exhibit 12](#)), the rate of improvement was 1.05, well below the Scottish average of 1.48. Performance fell significantly in 19 indicators, a third more than average, while it increased in 20 indicators. While the improvement ratio is up slightly from previous years, if current trends continue, the council's overall SPI performance is likely to fall behind other councils.

### Exhibit 11

Council profile of SPIs 2006/07

	Upper quartile	Middle quartile	Lower quartile
Adult social work	3	15	3
Benefits administration	0	1	1
Education & children's services	1	4	3
Corporate management	3	9	0
Cultural & community learning	1	6	2
Development services	0	0	2
Housing	1	10	0
Protective services	0	4	1
Roads & lighting	1	2	1
Waste management	1	2	2
<b>Total</b>	<b>11</b>	<b>53</b>	<b>15</b>
Scottish average	21	47	14

Note: There was one measure recorded as 'no service' and two recorded as 'failed to report'.  
Source: Audit Scotland

### 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
Aberdeenshire	12	1	6	4	5	11

Source: Audit Scotland

**125.** We considered performance within a selection of the council's services. Commentary on relevant statutory and local performance indicators is provided in the sections that follow, together with other evidence of how well each is performing.

### Customer focus

The council is improving customer service, making better use of technology and implementing a new system for customer complaints. However, the pace of change needs to increase and greater senior commitment is required. It is not clear how new approaches to customer service will sit alongside the many existing over-the-counter facilities.



**126.** The council has established arrangements to help it to implement a customer first programme in line with the national agenda. The programme is designed to lead to wide-ranging improvements and includes customer relationship management (CRM) (electronic systems to help with enhanced customer service) and the development of an entitlement card (single voluntary entitlement card to access services). A programme board is in place and a draft business plan and action plan have been prepared. The draft plan notes that individual programmes have progressed well, but recent progress in some areas has been limited. The programme has stalled through both lack of senior management engagement and funding. There is no elected member input to the programme board and reports are not prepared for committee.

**127.** The council has recently agreed a customer service strategy, pulling together the various strands of work previously initiated by the customer service project team (CSPT). It sets out five goals and related actions: development of customer service policies and standards; developing customer service skills; customer feedback loop; improving customer interaction with the council and communicating service standards and performance to customers. Work is progressing in each of these areas, but an overall framework for the delivery of customer service has not been articulated. No clear direction has been established for the large number of existing over-the-counter services and how these will best fit with other developments, such as the Customer Contact Centre (CCC) and online services.

**128.** The council opened a CCC in 2006. It currently deals with customer calls and text messaging in relation to council tax, waste, roads, housing repairs and street lighting. CCC officers have all been trained to Institute of Customer Service standards and performance measures indicate that the service is performing well in relation to speed of response,

first point of contact resolution for service requests and meeting the customer service delivery standard.

**129.** While telephone remains the most popular means of contacting the council, the 2006 Residents' Survey noted that home internet penetration was high in the area. Many users of the council's website are willing to use the internet for a wider range of business. The council is responding to this, and council tax and council house rents can now be paid online. Other online facilities include access to planning applications, the library catalogue and job vacancies. The council website is one of the top-rated local authority websites and is assessed as 'transactional' (top rating) by the Society of Information Technology Management.

**130.** A Customer Service Charter (2007) sets out what customers can expect if they contact the council by telephone, in person, by email or letter, or through home visits. It provides a framework allowing individual services to define their own preferred approach to customer service, taking into account the needs of their customers. Information on customer service standards is planned for inclusion in the council's first A to Z of services in 2008. The 2006 Residents' Survey found improvement in residents' ease in contacting the council.

**131.** The council has a complaints, compliments and comments process, 'Have Your Say'. While the 2006 Residents' Survey showed that 60 per cent of respondents found it easy to make a complaint, there were high levels of dissatisfaction with complaints handling. The council does not monitor complaints centrally but relies on services managing customer feedback. A recent report set out a new process, making use of the CCC. The new system is being rolled out on a phased basis, beginning with road defects, street lighting, waste, and council tax. It is too soon to judge the system's effectiveness.

## Education

The council provides a good standard of education, with above average attainment levels for secondary pupils. Her Majesty's Inspectorate of Education (HMIE) rated the education function as 'good' or 'very good' in all areas in a recent inspection. The council has made some progress in improving its school estate, but has no clear strategy for funding the further upgrading necessary.

**132.** HMIE undertook an inspection of the education functions of Aberdeenshire Council in October 2007. The report found that the council's education function demonstrated 'good' performance in nine of the ten quality indicators and one 'very good' performance ([Exhibit 13](#)). The main points for action were to increase the level of support and challenge for all sectors; ensure that attainment levels, learning experiences and staff expectations are consistently high in all establishments; build on the emerging partnership working arrangements; and continue to review and improve the quality of the estate.

**133.** Overall performance in attainment and achievement for learners is good. The attainment of Aberdeenshire's secondary school pupils is above the national average ([Exhibit 14](#)), and the educational attainment of looked after children is significantly better than the Scottish average. The percentage of looked after children awarded Maths and English at Scottish Credits and Qualification Framework (SCQF) level 3 or above is 46.4 per cent compared with the Scottish average of 36.3 per cent.

**134.** While the area benefits from relatively low levels of deprivation, attainment levels have been achieved with below average levels of resourcing. The total gross revenue expenditure (2005/06) of £3,913 for primary school pupils is among the lowest in Scotland (Scottish average £4,138). The figure for secondary school pupils is just below the Scottish average (£5,771) at £5,689.

### Exhibit 13

HMIE report findings:

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

Ratings: Excellent – outstanding, sector leader; Very good – major strengths; Good – important strengths with some areas for improvement; Adequate – strengths just outweigh weaknesses; Weak – important weaknesses; Unsatisfactory – major weaknesses.  
Source: HMIE

### Exhibit 14

Secondary school attainment 2006/07

Attainment	Aberdeenshire Council	Scottish Average
Percentage of S4 roll gaining 5+ awards at level 5 or better by end of S4	40	32
Percentage of S4 roll gaining 3+ awards at level 6 or better by end of S5	26	22
Percentage of S4 roll gaining 5+ awards at level 6 or better by end of S6	23	19

Source: Scottish Government

### Exhibit 15

Aberdeenshire school estate statistics 2007

	A - good	B - satisfactory	C - poor	D - bad
Primary school condition	13	9	109	23
Secondary school condition	2	2	12	1

Source: Scottish Government

**135.** The school estate requires significant investment. A significant proportion of schools were assessed as being in poor condition in 2006/07 (Exhibit 15). The area has relatively high school occupancy levels, despite its predominantly rural location, with 25 primary schools and ten secondary schools having school rolls greater than their capacity.

**136.** The council has recognised this issue and is making some progress in addressing it, working with partner agencies. Six new primary schools and two secondary schools have recently been provided under a Public Private Partnership project. The council's School Estate Strategy, which was approved in December 2005, identified 22 priority projects anticipated to cost in the region of £200 million. The council has not been able to identify the funding to support these projects, and there is currently no clear strategy for making the further improvements to schools that it considers necessary.

### Community learning and leisure

The council could improve the performance of community learning and leisure services, increasing participation levels and impact. Work is under way to review the strategy in this area. Some leisure facilities require upgrading.

**137.** A scrutiny and audit panel investigation into community learning and development in January 2007 highlighted the importance of this service in helping to achieve the council's vision. It identified 11 key issues to be addressed, and a review of the Community Learning and Leisure Strategy is currently under way.

**138.** A recent HMIE inspection of the community learning and development facilities in Ellon (October 2007) gave a mixed judgement on service provision in this area. This concluded that the impact on participants was very good for both adults and young people. The impact on the local

community, inclusion and fairness, and partnership working were judged to be good. Improvements in performance, operational planning and developing people and partnerships were judged to be adequate. Impact on staff and volunteers was judged to be weak.

**139.** Reported performance for leisure facilities and libraries (SPIs) is mixed. Additions to library stock have increased, with the council investing significantly in stock during the past two years. However, the number of people using libraries has fallen. In addition, fewer people are using the council's pools, with numbers steadily dropping year-on-year. The most recent residents' survey indicated significant dissatisfaction with showers and changing facilities. Pools are all of a similar age and are in need of upgrading, but there are no clear plans in place to address this. The number of people using other indoor leisure facilities has increased compared with previous years but remains relatively low.

## Housing

The housing service is generally performing well. Improvements are being made to the housing stock and plans are in place to meet the Scottish Housing Quality Standard (SHQS) on time. Progress is being made in increasing the availability of affordable housing, although significant challenges remain in meeting growing need and eliminating homelessness.

**140.** The council has a clear strategy in place to support access to good quality housing and is making progress in delivering this. The council completed an option appraisal on the future of the local housing stock in 2000, and decided to retain the council's housing stock (the Retention Plus option). This early decision has helped the housing service invest in a programme that is improving the condition of its housing. The council has identified resources to meet the continuing investment needs of the

stock in a 30-year business plan and expects to meet the SHQS by 2015.

**141.** The council's Local Housing Strategy (LHS) 2004-09 was assessed as 'good' by Communities Scotland in August 2007. The 2006 Tenants' Survey recorded 86 per cent satisfaction with the service. The council is well regarded as a landlord and works in partnership with tenants to improve the housing service.

**142.** As the average house price has increased substantially, so have waiting lists for council housing and homeless applications, leading to increased pressure for affordable housing. The LHS sets out proposals to ensure a minimum of 350 affordable units are developed every year. Some progress has been made to date, with Communities Scotland funding 108 additional affordable homes during 2006/07. A draft Strategic Housing Investment Plan was presented to Communities Scotland for approval in November 2007. This supplements the LHS and details how the affordable housing investment priorities will be delivered.

**143.** The council is also progressing alternative solutions to help tackle the shortage of affordable housing. It has agreed in principle to apply for Pressured Area Status, allowing partial restriction of the right to buy. Further consultation with tenants and area committees will take place before a final decision is made. The council has also transferred development sites to Registered Social Landlords (RSLs). The council's work with partners, including RSLs, has enabled the development of affordable housing in priority communities, together with the establishment of a strategic land bank for future projects.

**144.** Homeless presentations increased by 37 per cent between 2003/04 and 2006/07, up from 1,187 to 1,627. Nationally, by 2012 all homeless people have to be offered permanent accommodation, unless they are considered to be intentionally homeless. As an interim

step towards meeting these national targets the council has recently amended its allocations policy and is taking other actions, such as leasing accommodation from RSLs.

**145.** In February 2007, the council's homelessness housing support service was inspected by the Care Commission. The report found many service strengths, including implementation of a new support plan for outreach services and high staff morale. As well as eight recommendations, the Care Commission imposed a requirement relating to staff training. The council has implemented a staff training plan and has been delivering the required training. A more recent Care Commission inspection of housing support within the homelessness services has yet to report.

**146.** The council actively supports tenant participation, and tenant satisfaction with the housing service is high. The council has a tenant participation policy and strategy. The latter was required under The Housing (Scotland) Act 2001 and has an action plan. Both documents commit the council to involving tenants as partners. Budgetary and other support is given to tenants' associations and a tenant participation promotion team coordinates activity.

**147.** The housing management service's performance is generally improving, and is mostly better than the Scottish average. Local performance indicators show that the percentage of housing repairs completed within the agreed timescales is generally good, although reported emergency repair performance was slightly worse in the period from April to September 2007. Performance on housing re-lets to new tenants within ten days had improved in the year to September 2007, but rent lost due to voids, at 2.4 per cent, was greater than the Scottish average of 1.87 per cent in 2006/07. Overall, housing SPIs have improved since 2004/05, with the majority of indicators better than the

Scottish average. Of the 11 housing SPIs in 2006/07, Aberdeenshire had one in the upper quartile of performance and ten in the middle quartiles. A Kaizen review is planned to help improve performance relating to voids.

### Social work

The council's social work service generally performs well and has responded positively to previous recommendations for improvement. The service faces continuing financial and demographic challenges.

**148.** The council's social work service is generally performing well and has made progress in the last year against a number of previously identified improvement areas. The Social Work Inspection Agency (SWIA) published its *Performance Inspection* report on the council in November 2006. It concluded that the service was generally positively regarded and worked well with other agencies to achieve good outcomes for most people who use services. Of the ten areas evaluated by SWIA, one was rated as 'very good', seven as 'good', and two 'adequate' (Exhibit 16).

**149.** SWIA described the workforce as stable, committed and competent. A number of areas for improvement were identified covering staff workloads, support for carers, linking plans better to priorities, and performance management. The council was required to take action to tackle the gap between the level of service provision and the available budget resource. The council developed an action plan to address these issues and SWIA's most recent follow-up assessment in late 2007 noted that good progress was being made. Although budget pressures continue, overall service expenditure was controlled within the 2006/07 budget.

**150.** In September 2006, SWIA published its performance inspection report on the Northern Partnership Criminal Justice Social Work Services,

## Exhibit 16

### Area for evaluation

Area for evaluation	Rating
Outcomes for people who use services	Good
Impact on adults, carers, children and families who use services	Good
Impact on staff	Good
Impact on the community	Very good
Delivery of key processes	Good
Planning and service development, planning and performance management	Adequate
Management and support of staff	Good
Resources and capacity building	Adequate
Leadership	Good
Capacity for improvement	Good

Assessment ratings: Excellent, Very good, Good, Adequate, Weak, Unsatisfactory.  
Source: SWIA

which includes criminal justice services by Aberdeenshire council and three other authorities. It found evidence of effective practice in Aberdeenshire in relation to the planning and delivery of supervision to offenders subject to probation and through-care and in relation to compliance and enforcement practice. There was evidence of good partnership working, and that community service schemes offer an appropriate range of activities. SWIA concluded that greater effort was required across the Partnership on quality assurance and performance management, but was satisfied that Aberdeenshire's management capacity would deliver on the inspection's recommendations.

**151.** Available performance indicators present a mixed picture of the social work service's speed of response, an area of concern highlighted in the most recent Residents' Survey. The percentage of care management assessments undertaken within 21 days dropped from 84.3 per cent to 62.4 per cent in the six months to

September 2007. During the same period there was an improvement in the percentage of children and families offered or provided a service, up from 92.8 per cent to 98.4 per cent, and the percentage of offenders requiring supervision who were interviewed within the agreed timescales, up from 73.9 per cent to 92.9 per cent. However, the percentage of reports submitted to the Children's Reporter within the defined timescale fell from 64.1 per cent to 55.1 per cent.

**152.** The service demonstrates good performance against the adult social work SPIs. Three of Aberdeenshire's adult social work SPIs were in the upper quartile when ranked with other councils. These include the percentage of clients receiving personal care, which steadily increased to 93.8 per cent in 2006/07, ranking fifth in Scotland, while the council was ranked seventh for its performance on the percentage of respite nights not spent in a care home for people over 65 and those aged between 18 and 64. The

council's performance improved from 2005/06 on all four home care indicators.

**153.** The council is improving its performance on the majority of the children's services SPLs. It ranked first in Scotland on the indicator relating to the percentage of children made subject to a supervision order who are seen by a supervising officer within 15 days. On staff qualifications in residential homes, the council ranked 12th in comparison to other councils. However, its ranking remains in the lower quartiles in the four indicators that relate to respite care for children. The council's respite services are not performing as well as most other councils, although there is evidence of some improvement since 2005/06.

**154.** The council has used the most recent annual Residents' Survey to enhance its understanding of how social work services for older people are viewed. Respondents highlighted the scope for improved communications, and the importance of having a clear point of contact when arranging care. The council is developing its response to issues identified in the survey.

## Planning

The council has been successful in using funding from developers to improve local facilities, but the time taken to make planning decisions is poor and getting worse.

**155.** The council has developed good mechanisms for securing and using developers' contributions to enhance local services, known as 'planning gain'. Since 1998, the council has secured planning gain worth approximately £22 million, with £13.75 million paid to date. This has led to improvements in public halls, school accommodation and facilities, recreation facilities and libraries. Its approach has been recognised as best practice and the council received an award for 'Outstanding Performance and Quality in Development Planning' in 2002 by

Royal Town Planning Institute/Scottish Executive, and cited as Best Practice in 'PAN74' for commercial affordable housing contributions.

**156.** Aberdeenshire Council is ranked third highest in Scotland for the number of planning applications it processes. However, performance in processing times for planning applications is poor and deteriorating. The national planning target is to deal with 80 per cent of all applications within two months, and 90 per cent of householder applications within two months. Aberdeenshire Council did not meet these targets and was below the Scottish average for dealing with both householder (71.3 per cent) and non-householder applications (33.9 per cent). The council is in the bottom quartile for performance and shows a worsening picture compared with previous years.

**157.** The council considers that its poor performance in planning is a result of the difficulties in recruiting and retaining specialist staff. It has recognised the problem and has made attempts to address it, employing locum planners to tackle pressure areas. It is also proactive in targeting final year university planning students. However, the retention of existing staff remains an issue due to the high level of demand in the area for experienced planning professionals.

## Environmental and regulatory services

The council has been reducing overall municipal waste levels and after a slow start has been improving recycling to target levels, but new approaches have led to significant levels of dissatisfaction. Available measures of regulatory service performance show a mixed picture.

**158.** The council has an Integrated Sustainable Waste Management Strategy 2001-20 and an implementation plan. The Waste Strategy was revised during 2005/06

in response to new targets set by the Scottish Government. A new collection service was introduced in 2005/06, alternating weekly collection of household waste and recyclable materials. In 2006/07, refuse collection costs were £52.25 per premise, increasing by 36 per cent from the previous year. However, costs remain among the lowest in Scotland, below the average of £58.10. Disposal costs increased by 31 per cent and at £115.12 were well above the Scottish average of £70.20.

**159.** The council's approach emphasises the importance of waste reduction rather than recycling, and achieved a five per cent reduction in total municipal waste between 2005/06 and 2006/07. The council actively promotes dealing with green waste at source through home composting and community composting schemes. The number of recycling centres is being increased. After a slow start, the council is now on target to achieve the government target for recycling waste of 30 per cent by 2008, with recycling levels up from 21.2 per cent in 2006 to 28.4 per cent at September 2007. The council failed to undertake street cleanliness inspections during 2006/07; previously it had reported above average levels of cleanliness.

**160.** The introduction of the new waste management and recycling approach initially led to increased dissatisfaction with the service. Complaints have increased dramatically compared with previous years, from 0.1 per thousand households in 2004/05 to 10.9 in 2005/06 and 27.8 in 2006/07. The council has commissioned focus groups to better understand the underlying issues.

**161.** Available indicators in relation to regulatory services show mixed performance. Aberdeenshire is one of the better-performing councils for meeting the target dates for food hygiene inspections undertaken within time. It reported an average time of 34 hours to deal with noise

complaints, which is half the Scottish average of 68.8. The proportion of consumer complaints completed within 14 days has fallen to 60.8 per cent for 2006/07 from 75.3 per cent the previous year and is now below the Scottish average of 72.2 per cent. However, this fall has largely been due to a significant number of complaints about one business.

## Transport

The council has a clear approach to transportation. Its strategies are aligned and well articulated, and it has made improvements to infrastructure and public transport usage. It works well with other partners and responds to local needs. It has made significant improvements in road safety and the condition of its roads is among the best in Scotland.

**162.** The overall aims and plans for improving transport in Aberdeenshire are well articulated through the Regional Transport Strategy 2021 (RTS) and the council's own Local Transport Strategy (LTS) 2007-2010. The LTS is aligned to the RTS vision of: 'A transport system for the North-East of Scotland which enables a more economically competitive, sustainable, and socially inclusive society'. The LTS 2007-10 has a clear implementation plan and the council plans to report on this annually.

**163.** The LTS 2007-10 identifies road safety as a key objective. Road casualties in Aberdeenshire remain among the highest in Scotland, although significant progress is being made to reduce them. The council's target is to reduce the number of road casualties by 40 per cent by 2010. Using the 1994-98 average figures as a baseline, there was almost a 30 per cent reduction in casualties in the year to June 2007. The council is developing road safety initiatives such as 'Home Zone', where pedestrians and cyclists are given priority over vehicles; traffic-calming initiatives; and reviewing speed limits. It is also considering an innovative solution to

reduce speed by removing white lines from rural roads, reflecting research showing that vehicles travel at slower speeds when there are no centre white lines. The council has also worked with CPP partners to deliver the Safe Drive Stay Alive initiative, which targets safety messages at young drivers.

**164.** The council maintains over 5,300 km of roads and 1,600 bridges. The road network is among the best maintained in Scotland, although in line with national trends the percentage of the road network requiring maintenance treatment has increased over the past three-year period, from 31.0 per cent to 39.1 per cent. Bridge conditions are also better than average, with the proportion failing to meet the European standard falling from 9.2 per cent to 7.9 per cent. In the council's Residents' Survey 2007, 69 per cent of respondents were 'satisfied' or 'very satisfied' with Aberdeenshire's roads. Most people who replied assessed the road conditions as 'good' or 'very good' against a range of indicators.

**165.** The council is working in partnership with local residents and other key stakeholders to improve public transport, including the planning and delivery of bus services through six area bus forums which discuss and review local services. The council, in partnership with Stagecoach Bluebird, received recognition for the Stonehaven Quality Bus Corridor at the Scottish Transport Awards 2007. This initiative demonstrated a 19 per cent increase in bus use. It follows a previous award in 2005 for the council's A2B demand-responsive bus service. Rail passenger numbers increased from 197,000 in 2001/02 to 245,000 in 2004/05. The council, through the Nestrans partnership, is progressing work on a new station for Laurencekirk and is also discussing improved rail links throughout the area.

# Part 4. What needs to improve?



The council has many of the building-blocks in place from which it can deliver best value. However, these will only be effective in supporting continuous improvement in services if they are contained within a clear and coherent framework. Improvement activities require a more strategic focus, with clearer choices about which improvements to make, enabling better targeting of resources to maximise the benefits these will bring.

**166.** Continuous improvement in public services and local governance lie at the heart of the Best Value and Community Planning policy framework. Elected members 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.

**167.** While Aberdeenshire Council has a culture of continuous improvement, its approach has lacked strategic focus. More work needs to be done to integrate its approach to continuous improvement with the strategic planning framework and performance management framework.

**168.** The council has much to do to take forward the Community Planning agenda. Elected members should demonstrate an increased awareness and leadership of Community Planning. There should be greater clarity and focus around the governance arrangements.

**169.** The council needs to increase the pace of change in a number of key areas, including people management, risk management and customer services. Strategies are required for asset management and procurement, and the council needs to consider its arrangements

for measuring efficiencies and demonstrating competitiveness.

**170.** The council has demonstrated self-awareness in terms of what it needs to improve in order to demonstrate Best Value. Its own improvement plan identifies key improvements such as coordinating the various improvement activities that take place across the council, increasing the pace of change in the key areas of asset and risk management, and identifying and reporting specific measurable achievements from Community Planning. Many of the proposed improvements have been long-standing on the council's agenda, and the council will need to ensure it has the capacity and determination to see through their implementation.

**171.** The improvement agenda sets out a number of priority actions designed to focus the council on key areas for improvement. They are intended to assist the council in identifying those areas where it should focus its initial investment. The resulting improvement plan should have specific actions and clear targets by which progress can be measured. Timescales need to be challenging but realistic, taking into account the available capacity. The improvement plan will provide the basis for review and monitoring by the council's external auditor over the coming years.



## **Aberdeenshire Council's improvement agenda**

- Establish an integrated framework to coordinate continuous improvement: set priorities, manage review processes, implement changes and evaluate impact.
- Ensure sufficient capacity exists to implement the council's improvement agenda effectively.
- Ensure that senior managers focus more on strategic issues and overall performance.
- Ensure that priorities and plans are clearly articulated, and resources allocated accordingly.
- Managers and senior managers to use the performance management framework to support improved management and scrutiny of overall performance.
- Develop an overall people strategy, improving corporate workforce planning and employee development.
- Ensure a robust approach to asset management, taking key decisions on the utilisation of assets and future investment.
- Embed an effective approach to risk management.
- Ensure elected members provide more active leadership of Community Planning and work more closely with partners in doing so.
- Systematically review the competitiveness of services across the council.
- Take a more systematic approach to efficiencies, linking this to the overall management of continuous improvement.
- Increase the pace of improvement of customer services, including use of new technologies.
- Take a more coordinated and systematic approach to community engagement activities.

# Aberdeenshire Council

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