



The Audit of Best Value and  
Community Planning

# Perth & Kinross Council



Prepared for the Accounts Commission  
August 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 £18.9 billion of public funds a year.

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

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# The Audit of Best Value



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

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

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

- work with its partners to identify a clear set of priorities that respond to the needs of the community in both the short and 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 Perth & Kinross 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 Perth & Kinross Council. The report also reflects the picture available at the time of our main audit work, conducted between February and March 2008.

We gratefully acknowledge the co-operation and assistance provided to the audit team by Perth & Kinross Council. We would particularly like to thank Councillor Miller, the leader of the council; Bernadette Malone, the chief executive; and Barbara Renton, Improvement and Innovation Manager, and all other members and officers contacted during the audit.

# Commission findings



**1.** The Commission accepts this report on the performance of Perth & Kinross Council's statutory duty to secure Best Value and to initiate and facilitate the Community Planning process. The Commission recognises that the report gives a broad picture of the council's performance based on the work of Audit Scotland and the findings of other scrutiny bodies such as Inspectorates and that it does not attempt a comprehensive review of all service delivery. We acknowledge the co-operation and assistance given to the audit process by members and officers of the council.

**2.** Perth & Kinross Council demonstrates a strong commitment to Best Value. We acknowledge the effective leadership of the council, good relationships between councillors and officers and the close involvement of its Community Planning partners. The council also has effective performance management arrangements.

**3.** The Commission also welcomes the council's:

- high level of self-awareness
- culture of continuous improvement and focus on what works
- good corporate working
- engagement with employees
- implementation of the single status agreement with no disruption to service delivery
- open, clear and balanced public reporting.

**4.** However, there are areas of service delivery where the council needs to further improve, most notably in relation to its planning function and to educational attainment. We acknowledge that the council's rate of service improvement is good and that the council itself recognises the areas where improvement is needed in service delivery. The council should also give attention to creating linkages between its asset management, financial management and workforce planning arrangements. A particular challenge for the future is the need to provide affordable housing in the context of an increasing population.

**5.** The Commission considers that Perth & Kinross Council has the capacity and ability to build on its current performance and looks forward to receiving an improvement plan with measurable and achievable outcomes which will build on the good work being done by the council.

# Overall conclusions





Perth & Kinross Council demonstrates a strong commitment to Best Value and continuous improvement and an appetite for better services for the area. The council and its strategic partners work well together, are clear about the priorities for the area and are committed to the Perth and Kinross Single Outcome Agreement (SOA). The leadership of the council is strong and effective in terms of strategic direction, delivering change and providing the capacity for further improvement. There are good working relationships between elected members and executive directors and relations between political group leaders are constructive.

A robust performance management framework is in place across the council. This is supported by good scrutiny of performance, although scrutiny of decision-making processes is still developing. This framework provides a strong foundation for developing performance management arrangements across the Community Planning Partnership (CPP) in support of the delivery of the SOA. A more consistent approach is required to collate customer feedback at the corporate level so that it can better influence and shape service delivery and performance.

In recent years the council has implemented significant structural change, placing itself in a better position to deliver its corporate objectives. Services are improving above the Scottish average and overall, council services perform slightly better than the national picture. Improvements have been made in services such as education, social work and housing but there is scope for further improvement in others such as planning. The council recognises that more wide-reaching cross-cutting reviews are now necessary

to challenge service delivery models and deliver further efficiencies.

The full impact of recent changes has not yet fully fed through to service performance. In particular, the council has important decisions to make if it is to meet its affordable housing targets and respond to the additional demands anticipated from high population growth projections.

- 1.** Perth & Kinross Council demonstrates a strong commitment to Best Value and continuous improvement and an appetite for better services for the area. The council and its partners share a clear and ambitious vision and they are committed to the Perth and Kinross SOA. The vision reflects the significant challenges faced by the council in sustaining its rural communities, providing affordable housing and responding to the highest projected population growth in Scotland over the next 25 years.
- 2.** The council has an ambitious corporate improvement agenda which supports the delivery of its community and corporate plan objectives. It has robust performance management arrangements based on measuring progress against agreed outcomes. Continuous improvement activity is embedded within service and team plans and is part of the culture of the council. Scrutiny arrangements to support performance and continuous improvement are sound but the scrutiny committee is at an early stage in its development regarding its coverage of the council's decision-making processes.
- 3.** The council benefits from strong and effective collective leadership. The leader of the council and the chief executive work well together in taking forward corporate priorities and are committed to the involvement of strategic partners in improving services for the area. The mature and effective working relationship
- 4.** Community Planning is well developed in Perth and Kinross, supported by a strong commitment to partnership working, effective planning structures and a clearly defined set of desired outcomes. Effective partnership working has already delivered improved outcomes, however, the council and its partners are clear on where further improvement can be made. In particular, there is now a need to further develop performance management arrangements across the CPP to support the delivery of the Perth and Kinross SOA.
- 5.** The council can demonstrate many positive examples of directly involving local communities and service users in shaping plans and services. The council is aware that its communities are changing and, recognising that it can engage more systematically and proactively with communities, it has recently developed a community engagement strategy. It is developing a range of information and skills among employees and communities to support more effective engagement in future.
- 6.** To deliver its improvement agenda, the council has successfully undertaken significant structural change over the last few years. Political and executive structures clearly align with the delivery of its corporate priorities. Although it is too early to see the full impact of these changes on services, there are signs of good progress.

between political group leaders is a key feature in providing clear strategic direction. Parliamentarians are particularly well engaged through the Parliamentary Forum. There is a cohesive executive officer team that deals with strategic cross-council issues in a professional manner and provides regular scrutiny of financial and performance information. Depute directors and heads of service have a significant role in corporate leadership which enhances the council's capacity to improve.

**7.** The council manages its financial resources very effectively and has made progress in delivering efficiency savings. Further efficiencies should be achievable through the recently established procurement consortium with Dundee and Angus Councils. The council has modernised its pay and reward package through the implementation of single status, but there is scope to improve its approach to workforce planning, completing employee reviews and sickness absence management.

**8.** The council is committed to providing equality for its employees and supporting them to deliver equality for service users. It could better involve equalities groups in developing services and demonstrate that it is delivering equality in its services.

**9.** The council's statutory performance indicators (SPIs) demonstrate improvement above the Scottish average. The changes which have occurred over the last few years are working through to services and the council is aware of those aspects where improvement is needed, taking robust action to achieve it. Good progress has been made in addressing improvements arising from external inspections in aspects of housing, education and social work. Action has been taken in seeking solutions to a long-standing problem in the time taken to process planning applications.

**10.** The council demonstrates its commitment to high-quality customer service by the effective implementation of customer service standards, the introduction of a customer service centre and the use of Kaizen Blitz techniques to improve customer outcomes. The council needs to complete its review of rural service contact arrangements and its implementation of the Customer Relationship Management (CRM) system. It also recognises that it needs to take a corporate view of customer satisfaction work to ensure that it is more systematic in seeking

feedback in future. The council offers a range of services electronically and its website has been independently assessed as being among the best in Scotland.

**11.** The council has an ambitious corporate improvement agenda and has established a culture of continuous improvement among employees and elected members. It uses a wide range of self-assessment and review methodologies to drive change; it is aware of what its priorities are and that it needs to increase the pace of improvement in areas such as workforce planning and equalities.

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



Perth & Kinross Council and its partners share a clear and ambitious vision and they are committed to the SOA for the area. The vision reflects the significant challenges faced by the council in sustaining its rural communities, providing affordable housing and responding to the highest projected population growth in Scotland over the next 25 years.

The council benefits from effective leadership and strong commitment to Best Value and continuous improvement from both elected members and officers. It has a well-structured corporate improvement agenda and has established a positive organisational culture focused on delivering improvement.

The council demonstrates good consultation with service users but recognises that it could involve its communities more systematically in shaping its policies, plans and services and is working towards improving this.

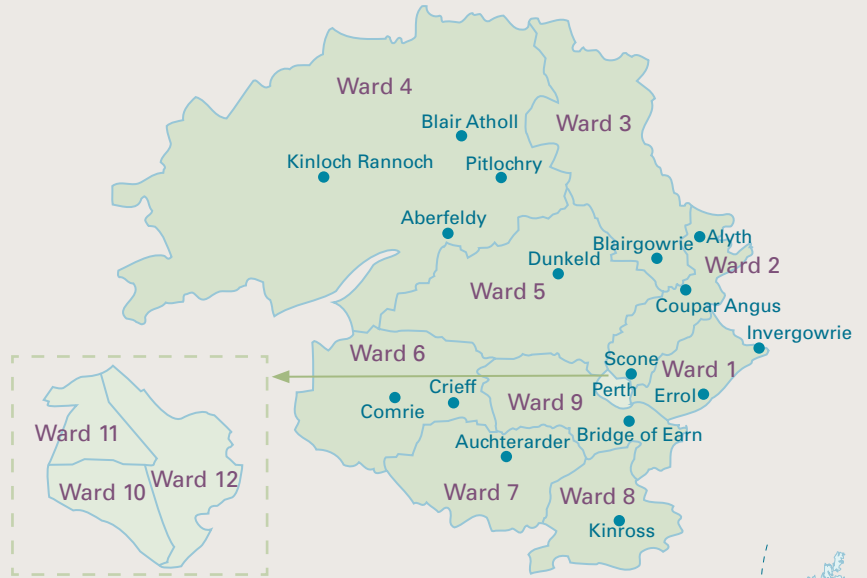
**The local context**

**12.** Perth & Kinross Council is centrally located within Scotland covering a diverse area of 5,286 sq km, making it the fifth largest in Scotland by area. The area ranges from the central belt commuter corridor to the rural areas of Highland Perthshire and borders eight local authorities. The council has 12 electoral wards ([Exhibit 1](#)).

**13.** Perth and Kinross has a population of 140,190, ranking it 14th highest in Scotland. A third of this population is located in Perth. There are also a range of smaller but rapidly growing communities such as Crieff, Kinross, Scone and Auchterarder. Between 2001 and 2006, the population increased by 3.9 per cent, with a further predicted increase of 22.2 per cent expected between 2006 and 2031,<sup>1</sup> which, with West Lothian, is the fastest growth in Scotland.

**Exhibit 1**

Perth & Kinross Council by administrative areas



**Electoral wards**

- 1 Carse of Gowrie
- 2 Strathmore
- 3 Blairgowrie and Glens
- 4 Highland
- 5 Strathtay
- 6 Strathearn
- 7 Strathallan
- 8 Kinross-shire
- 9 Almond and Earn
- 10 Perth City South
- 11 Perth City North
- 12 Perth City Centre

Source: Audit Scotland

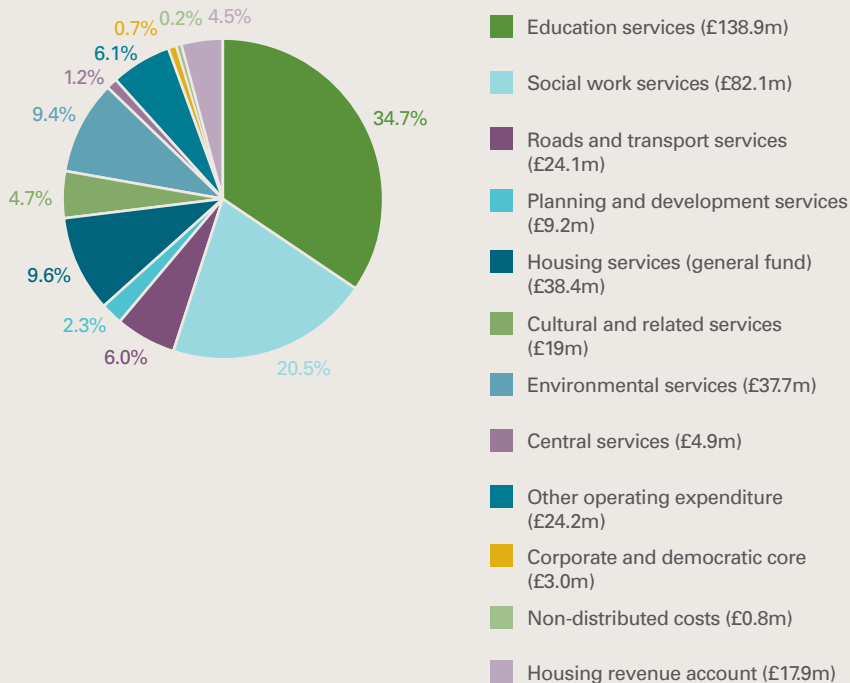
**14.** The population is ageing. The 65+ age group is expected to increase by 74 per cent by 2031, which is significantly higher than the national figure of 61 per cent. The council is also projected to experience a 28 per cent increase in its migrant population. The area has the third highest number of migrant workers of all Scottish authorities, behind only Glasgow and Edinburgh. Best estimates are that the peak migrant population is some 6,000 people, and possibly much higher, especially in the summer months. These changes

will place increasing demands on council services.

**15.** Service sector jobs account for 80 per cent of all jobs in Perth and Kinross. The economy is dominated by small businesses especially tourism, distilling, farming and forestry. The main employers are the council, Perth Royal Infirmary, Scottish & Southern Energy, Norwich Union and Perth College. The median gross weekly earnings (workplace based) in 2006 was £425.30, just below the Scottish figure of £432.00, and placed

**Exhibit 2**

Gross expenditure of services 2007/08 (£400.1 million)



Source: Audit Scotland

Perth and Kinross 13th highest in Scotland. The unemployment rate at 3.9 per cent (2005-06), compared to 5.2 per cent for Scotland, places Perth and Kinross eighth lowest in Scotland.

**16.** Perth and Kinross has good road links to the rest of Scotland. Perth has a small harbour, situated on the River Tay, 30 miles from the North Sea. Due to the good road links, the harbour is able to provide quick and efficient transportation of goods to all areas of Scotland and Northern England, from traditional agricultural related cargoes, such as animal feedstuffs and fertilisers, to timber and chemicals.

**17.** The council has relatively low levels of deprivation, with pockets concentrated in some areas of North Perth and Eastern Perthshire. The Scottish Index of Multiple Deprivation identifies that only nine data zones (5.7 per cent) are in the most deprived 15 per cent in Scotland, the 11th lowest nationally. Life expectancy is better than the Scottish average for

both males (76.5 years compared with 74.6 years for Scotland) and females (81.2 years compared with 79.6 years for Scotland), and alcohol and drug related hospital admissions are well below the Scottish average.

**18.** Perth and Kinross is the eighth most expensive council area in Scotland to buy a home, with an average house price of £188,431 (December 2007). The area was recently named one of the three regions with the fastest rising house prices in the United Kingdom. Eighty per cent of homes are owner-occupied while eight per cent are rented from the public sector. This presents a challenge in providing affordable housing options.

**19.** Gross expenditure on services in 2006/07 was £387.6 million, or £2,765 per head of population, which is lower than the Scottish average (£3,104) and the seventh lowest per head of population. Band D council tax for 2007/08 was £1,158, just

above the Scottish average of £1,149. For 2007/08, gross expenditure across services was £400.1 million (Exhibit 2). These figures are currently unaudited with audited accounts available in October 2008.

**Leadership and culture**

The council has strong and effective collective leadership at both political and official level. The leader of the council and the chief executive work well together and are committed to the involvement of strategic partners in improving services for the people of Perth and Kinross. There is a mature working relationship between political group leaders, which is a key feature in providing clear strategic direction. Parliamentarians are particularly well engaged through the Parliamentary Forum.

A cohesive executive officer team deals with strategic cross-council issues in a professional manner and provides regular scrutiny of financial and performance information. The chief executive demonstrates a strong commitment to continuous improvement, which is supported by an enthusiastic culture and appetite in the council for improvement and the opportunities provided for employees to share good practice.

**20.** The council has developed a consensual style of politics through past experience of coalition administrations. Following the local government elections in 2003, the administration consisted of a partnership group involving Conservative, Labour, Liberal Democrat and Independent members. In August 2004, this changed to an administration comprising SNP and Liberal Democrat with an Independent leader.

**21.** The current council consists of 12 multi-member wards with 41 elected members. There are 18 SNP members, eight Liberal Democrat, 12 Conservative and three Labour. The current administration is an

SNP/Liberal Democrat coalition. Fifteen members were newly elected in May 2007. The council provided new and returning councillors with a comprehensive induction programme. This initially covered six months, and was extended by a further nine months following a review by group leaders in September 2007.

**22.** The council has strong leadership at both political and official level. The leader of the council is highly regarded and demonstrates a commitment to improving services for the people of Perth and Kinross. He and the chief executive work well together in taking forward corporate priorities and are committed to the involvement of strategic partners in planning, delivering and monitoring service improvements for the area.

**23.** The chief executive provides strong leadership and brings a clear focus on improving corporate working and a commitment to delivering better services. Under her direction, a range of organisational reviews have been undertaken which led to rationalisation and improvements in structures and leadership of services. She plays an important role nationally as the Society of Local Authority Chief Executives in Scotland (SOLACE) lead for Best Value and is actively involved in developing policy on SOAs and future scrutiny arrangements.

**24.** There is a mature working relationship between political group leaders which is a key feature in providing clear strategic direction. They are in regular contact through council forums such as the Strategic Leadership Forum, the Parliamentary Forum and the Modernisation Member/Officer Working Group ([Exhibit 3](#)). They take forward the council's strategic issues; the Parliamentary Forum is a particularly effective way of engaging national politicians in local issues. The Forum is well attended by parliamentarians of all political parties, demonstrating their commitment and support for the council and the area.

### Exhibit 3

#### Important council forums which promote political debate and consensus on key strategic issues

- **Strategic Leadership Forum:** provides an opportunity for political group leaders to discuss forthcoming issues with the executive officer team and agree the next steps.
- **Parliamentary Forum:** on a quarterly basis, Perth and Kinross parliamentary representatives (MPs, MEPs and MSPs) are invited to meet with council group leaders and the executive officer team to increase awareness and understanding of the key issues faced by the area. It also provides the opportunity for parliamentarians to challenge and scrutinise the work of the council.
- **Member/Officer Working Group:** groups have been established to provide additional time to discuss specific important issues, eg equalities and sustainable development. The council has a modernisation member/officer group which oversees all improvement activity carried out in the council.

Source: Perth & Kinross Council

**25.** The council is organised around five themed committees and a scrutiny committee. Alongside these sit the traditional development control, licensing and strategic policy and resources committees ([Exhibit 4](#)). Members confirmed that they have productive working relationships and good access to officers who willingly provide information and support. Regular reviews of political structures have been undertaken, the most recent in 2007 which confirmed the existing structure.

**26.** All committees meet in public, except for specified items where information is judged to be exempt under statutory confidentiality provisions. Agenda papers are available from the council's website a week in advance of each meeting.

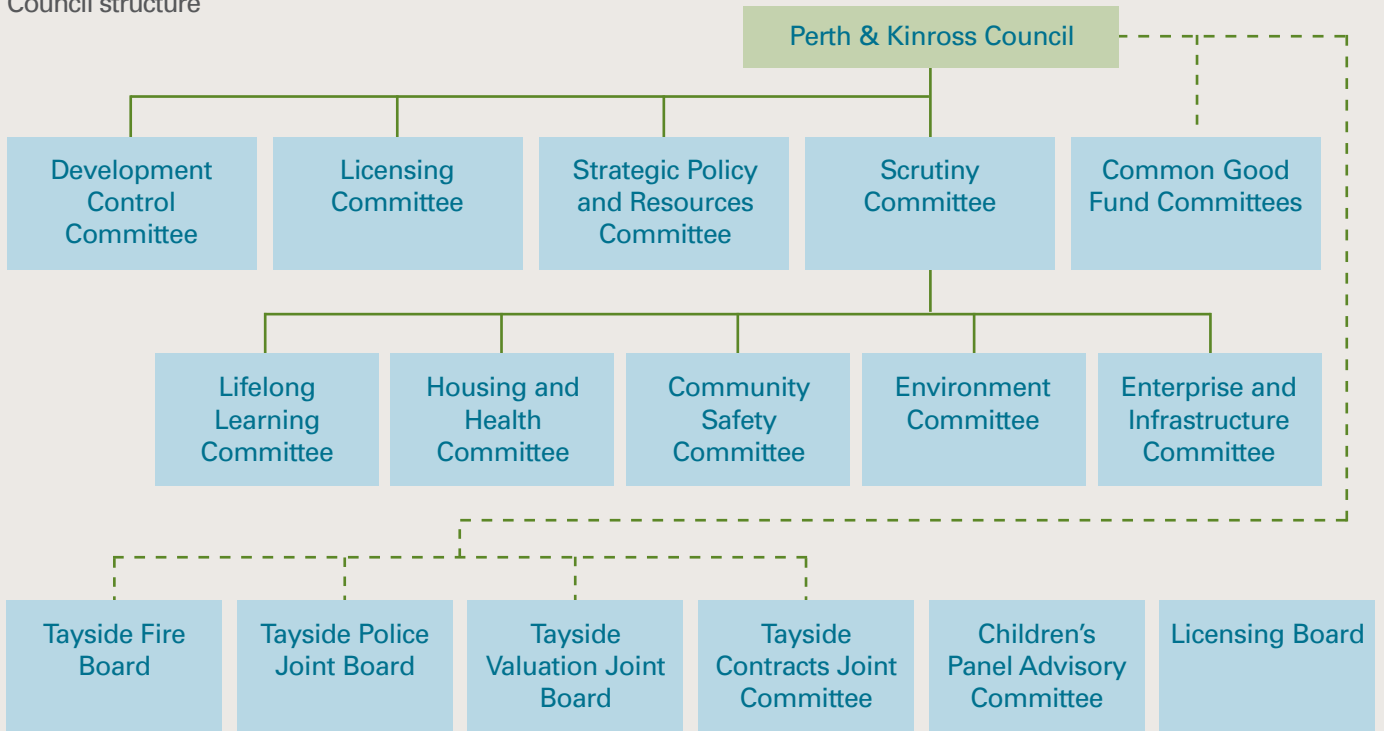
**27.** The management structure includes five service functions managed by the chief executive and four executive directors ([Exhibit 5](#)). This structure reflects the council's themed committees and is consistent with Community Planning themed partnership groups.

**28.** The council's executive officer team (EOT) comprises the chief executive and four executive directors who are respected and provide clear direction. Two executive directors (corporate services and education and children's services) were appointed in 2007, but are already integrated and fully contributing to the team. Meeting fortnightly, the team discusses strategic issues and plays an important governance role through regular scrutiny and challenge of corporate performance and financial information.

**29.** On a monthly basis, a wider corporate management group of depute directors and heads of service meet to take forward policy development and implementation. This group works on the detail of policy development and makes recommendations to EOT. This provides opportunities for depute directors and heads of service to lead on corporate issues and allows EOT to focus on strategic issues. Operational matters are handled by senior management teams who meet within their services on a weekly basis.

**Exhibit 4**

Council structure



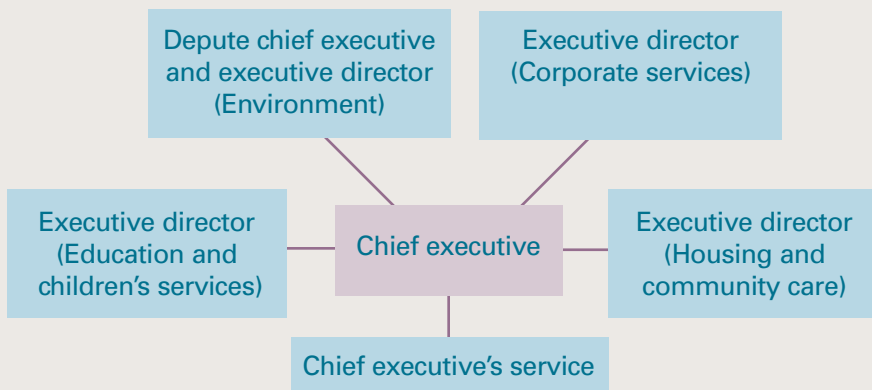
Source: Perth & Kinross Council

**Setting a clear direction**

The council and its partners share a clear and ambitious vision that reflects local needs through the Perth and Kinross community plan. They have agreed the SOA for the area. The council's vision is supported through effective strategic planning underpinned by an ambitious corporate improvement agenda. The council has recently come through a period of significant structural change, which has delivered improvements that are expected to lead to higher performing services.

**Exhibit 5**

Management structure



Source: Perth & Kinross Council

**30.** The council has a well-developed vision which is clearly articulated and shared through the community and corporate plans. The community plan sets out the shared vision and priorities for Perth and Kinross and details how the Community Planning partners, including the council, will deliver these. The corporate plan sets out how the council will support the community plan and identifies

the high-level objectives the council is working towards to meet local needs. In particular, the corporate plan highlights the key priorities agreed by the council ([Exhibit 6](#)). These issues regularly feature as agenda items for members and the EOT, reflecting their significance for the area.

**31.** The council's improvement agenda is set out in its organisational change and improvement plan (OCIP) which has been developed at a corporate level using self-evaluation processes. The plan is aimed at building corporate capacity to better address challenges and deliver the vision. The OCIP sits at the heart of the council's planning framework and is supported by five thematic groups each sponsored by an executive director. This structure puts the council in a strong position to improve service delivery and the experiences of service users.

**32.** The concordat between the Scottish Government and COSLA has resulted in the development of SOAs in each of the 32 councils in Scotland. Perth & Kinross Council was clear that it needed to involve strategic partners to take forward its SOA effectively. The SOA was agreed by the council and the CPP in March 2008, following an intensive process involving councillors and partners, identifying indicators and data sources and providing internal challenge through the EOT and other leadership forums within the council. While the SOA process is being refined nationally, the council anticipates that it will provide the focus for its performance management framework ([Exhibit 9, page 19](#)).

**33.** In recent years the council has undertaken a period of significant structural change which has affected all services and required some difficult decisions to be made. Strategic reviews of services have been conducted over the last three years, in addition to a review of the corporate core. The council was assisted in these reviews by external consultants. The result has been a reduction from 14 departments to five service functions as shown in [Exhibit 5](#).

## Exhibit 6

### Perth & Kinross Council's vision, values and aims

The council's vision is of a confident and ambitious Perth and Kinross with a strong identity and clear outcomes that everyone works together to achieve. The area will be vibrant and successful; a safe, secure and healthy environment; and a place where people and communities are nurtured and supported.

To deliver on the **vision**, the council has identified the following five **corporate objectives**:

- A safe, secure and welcoming environment.
- Healthy, caring communities.
- A prosperous, sustainable and inclusive economy.
- Educated, responsible and informed citizens.
- Confident, active and inclusive communities.

Within these **corporate objectives**, the council has agreed the following **key priorities**:

- Protect children and vulnerable adults.
- Provide affordable housing for purchase and rent.
- Improve recycling/composting of domestic waste.
- Raise attainment and achievement among young people.
- Change services in response to demographic change.

Source: Perth & Kinross Council

**34.** The recommendations from these reviews have largely been implemented and outstanding issues have been transferred to the council's OCIP. The period of change was managed effectively by the council and the new structures provide a solid foundation for delivering improved service performance.

### Community engagement

The council can demonstrate many positive examples of directly involving local communities and service users in shaping plans and services. The council recognises that it can engage more systematically and proactively with its changing communities and has recently developed a community engagement strategy to support this area.

**35.** Since 1998, the council has carried out 17 council-wide Viewfinder surveys of its citizens' panel to gauge views on a range of issues affecting life in Perth and Kinross. Views have been sought on the experiences of community safety, health issues such as exercise and diet, and awareness of Perth College and the services it provides. More specifically the council has sought feedback from the panel on how they contact the council, methods of payment offered and use of libraries, museums and parks and open spaces. This information is used to inform council strategy and partnership working.

**36.** The council has worked to directly involve service users and its rural and urban communities in shaping plans and services, particularly those communities experiencing social and economic change – for example



the Area Based Initiatives in Eastern Perthshire and in Kinross. Placecheck in Errol and the review of learning disabilities (as shown in Exhibits 7 and 10 (page 25) respectively) represent two positive examples of this.

**37.** The council's recent review of consultation and engagement activity over 2006/07 has highlighted that communities have been engaged in discussions across all of the council's wards, but that the extent of activity has been varied. It recognises the need to become more systematic in involving communities in planning and service delivery. This is reflected in its OCIP and more recently, in the *Community Engagement Strategy 2007-10*, published in January 2008. The council aims to use the community engagement strategy to improve its own approach, before developing a broader partnership approach to community engagement.

**38.** The council is also supporting better community engagement in a number of practical ways, including identifying service-based champions to develop and coordinate engagement across the organisation; developing a community engagement and consultation toolkit for employees; and using its team of seven community capacity workers to give communities better skills to engage with the council.

## Exhibit 7

### Involving citizens in service delivery – Placecheck in Errol

Staff from education and children's services and the environment service worked with the community in Errol to prioritise opportunities for improvement in the area. In June 2007, they carried out a Placecheck (a way of assessing the qualities of a place, looking at what improvements are needed and focusing people on working together to achieve them), 'walking' the area in small groups, taking photographs and notes, and coming up with a prioritised list of environmental improvements. Community capacity workers supported the Placecheck by engaging local schoolchildren in the planning process, generating interest with local groups and providing a crèche during the event.

A follow-up session was carried out with local community groups in August 2007 to prioritise short, medium and long-term actions. This resulted in action to empty bins more frequently, relocating park benches, repairing gates, replacing road markings and clearing back vegetation. In addition, longer term plans were put in place covering dog fouling, litter, play equipment in parks and the introduction of a street improvement scheme.

Comments from participants:

- 'An excellent, worthwhile, informative exercise which will hopefully lead to long-term improvements.'
- 'Good coverage of representatives to answer questions, eg planning, community services, youth workers etc.'
- 'A well thought out event that should enable progress to be made on several important issues.'

Placecheck was considered a success in improving public spaces in Errol. It was beneficial for all involved to have the opportunity to meet and discuss issues face to face and work together to try to find solutions. The council therefore decided to roll out this approach across Perth and Kinross.

Source: Perth & Kinross Council

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



There is a strong ethos of partnership working in Perth and Kinross and Community Planning is well developed. This has delivered a range of improved outcomes for local communities.

The council has effective arrangements for managing and scrutinising its performance and to support continuous improvement. It manages its financial resources very effectively and has made progress in delivering efficiency savings. Further efficiencies should be achievable through the recently established procurement consortium with Dundee and Angus Councils. The council has modernised its pay and reward package through the implementation of single status but there is scope to improve the approach to workforce planning and sickness absence management.

The council is committed to providing equality for its employees and supporting them to deliver equality for service users. It could better involve equalities groups in developing services and demonstrate that it is delivering equality in its services.

The council has robust processes in place for handling its wide range of assets.

### Working in partnership and Community Planning

Community Planning is well developed in Perth and Kinross and is supported by a strong commitment to partnership working, effective planning structures and a clearly defined set of desired outcomes. Effective partnership working has delivered improved outcomes for local communities within Perth and Kinross, and the council and its partners are clear on where further improvement can be made.

**39.** Community Planning is well developed within Perth and Kinross and is supported by a strong ethos of joint working between key partners. The council embraces partnership working to deliver improved outcomes throughout its area and partners are positive about the council's effectiveness in leading Community Planning and the progress being made in achieving the partnership's priorities.

**40.** The council works in partnership with neighbouring councils in Dundee and Angus, primarily through collaborative arrangements for contracting goods and services. The economies of scale generated by these joint arrangements enhance the council's ability to secure more competitive services and obtain better value for money.

**41.** The current community plan, *Working together for Perth and Kinross*, published in February 2007, is the third community plan for Perth and Kinross and sets out a long-term vision for 2020. The plan defines the high-level desired outcomes, with related key delivery strategies, supported by a range of indicators and projected five-year targets that the partnership will use to measure its impact and success in the shorter term. Eleven of the 13 respondents (85 per cent) in our survey of Community Planning partners were positive about their involvement in developing the shared vision for Perth and Kinross, and this is reflected in the way key partners have been actively engaged in developing the Perth and Kinross SOA.

**42.** Effective partnership working has delivered a range of achievements in key areas such as community safety, health and wellbeing, and lifelong learning in recent years:

- Work with community safety partners has resulted in a 34 per cent reduction in antisocial behaviour and 16 per cent reduction in vandalism, and Community Planning partners are working jointly with the Scottish

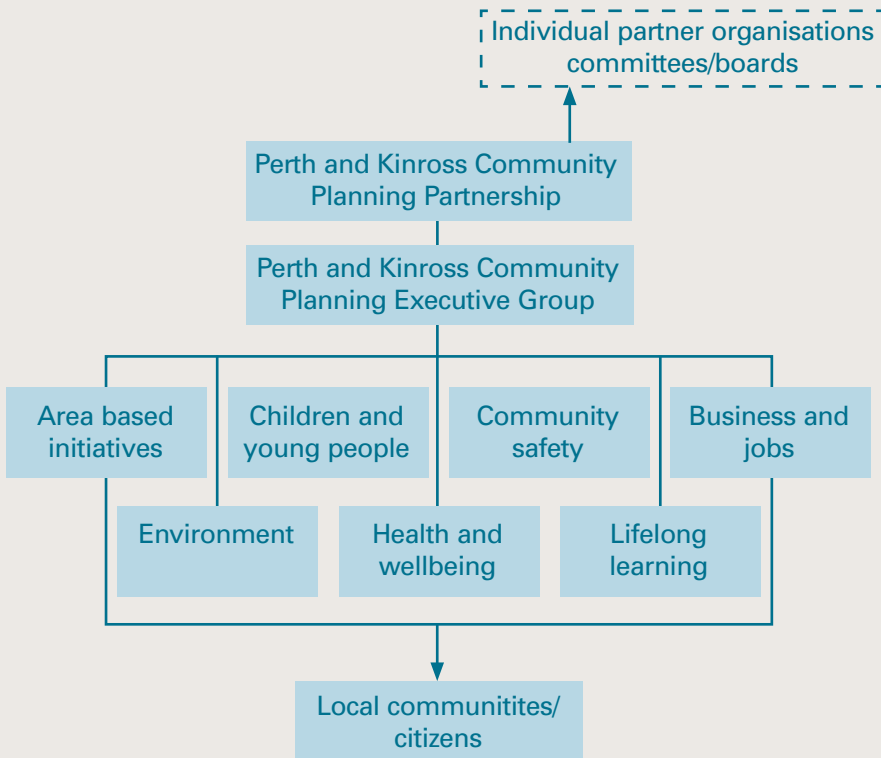
Government to develop a model for successful interventions to tackle antisocial behaviour. Services delivered and coordinated through the Perthshire Youth Justice Partnership have helped achieve one of the largest reductions in persistent young offenders in comparison with other council areas.

- Integrated management and delivery of care services through the Perth and Kinross Community Health Partnership (CHP) have helped increase the proportion of older people receiving care at home and reduce delays in discharging people from hospital (with only four people experiencing a delay of six weeks or more during 2006/07).
- Perth & Kinross, Dundee and Angus Councils jointly procure key services such as catering, cleaning, roads and winter maintenance from a commercial consortium (Tayside Contracts) and have also recently established a Tayside Procurement Consortium, which formalises collaborative procurement of goods and other services that has taken place over a number of years.
- Initiatives with Perth College, Scottish Enterprise Tayside and others have contributed to year-on-year increases in local gross domestic product (GDP), the proportion of people in employment, the number of people gaining vocational qualifications, as well as other developments, such as a land-based curriculum tailored to secondary school pupils in rural areas.

**43.** Effective partnership structures are in place to oversee the delivery of the shared vision in Perth and Kinross ([Exhibit 8, overleaf](#)). The CPP is supported by a number of partnership groups that work on themes in specific areas, such as the Area Based Initiatives group,

## Exhibit 8

### Perth and Kinross Community Planning structure



Source: Perth & Kinross Council

which tackles social and economic regeneration in priority areas. Elected members are well represented in the partnership structures, with 18 of the 41 members involved. The majority of partnership groups are chaired by elected members, with the exception of the children and young people partnership, which is chaired by the chief executive and the health and wellbeing group chaired by NHS Tayside. Each executive director acts as a lead officer for at least one CPP group to ensure the integration of community and corporate planning.

**44.** Partnership groups generally work well, although Community Planning partners indicated through our survey that the leadership of partnership groups could be shared more widely between agencies to foster a stronger sense of partnership, and meetings could be less bureaucratic. The economic partnership, which is responsible for taking forward work in relation to the business and jobs

theme, had lost some momentum due to the changing national context but now has a clearer focus following a review of its effectiveness. Changes in the national context included the review of Scottish Enterprise, the restructuring of VisitScotland and a new contractor for Business Gateway Tayside.

**45.** The CPP was reviewed in 2005, with improvements to its operations designed to deliver better outcomes, for example more stringent partnership scrutiny and governance arrangements to routinely scrutinise the delivery of intended outcomes and indicators of impact. At each meeting the partnership looks in detail at achievement against a single Community Planning theme.

**46.** Recent review activity has identified a range of areas where aspects of Community Planning can be strengthened, including:

- continually working on how the partnership measures progress
- being more responsive to and engaging better with communities
- developing common structures
- introducing a 'virtual' Perth and Kinross plc embodying all partners
- establishing more joint procedures such as joint induction for new employees
- considering co-location of services.

### Performance management and reporting

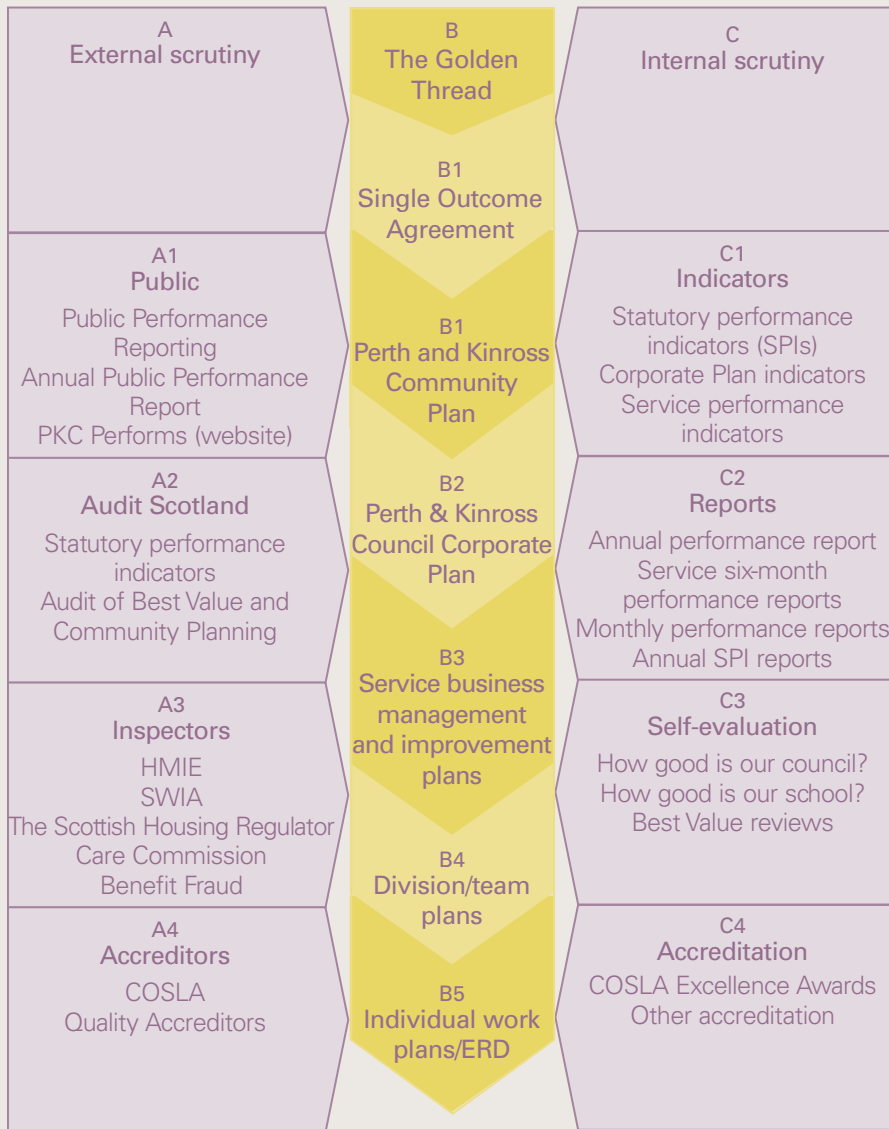
The council has an effective approach to performance management with systematic reporting to officers and elected members. It has an informative performance report which is readily available on its website. Its public performance reporting is clear and balanced. There is scope to use interim targets and external comparison more explicitly in performance reports to committees. The council is now adapting its approach to support the reporting requirements of the SOA.

**47.** Performance management is well developed (Exhibit 9). The council has integrated its corporate and community plan vision with its service plans – the Business Management Improvement Plans (BMIPs). These translate the four-year aims of the corporate plan into annual targets. The service plan objectives are then translated into service level actions through team plans, which link to individual's objectives through the Employee Review and Development (ERD) process.

**48.** The CPP led by the council approved its first SOA in March 2008 and is considering how to collect and report the necessary information to monitor progress. Other aspects of the framework are well established and include:

**Exhibit 9**

**Performance management framework**



Source: Perth & Kinross Council

monitored annually once exam results become available, whereas housing repairs are monitored monthly to allow intervention as required.

**50.** Performance management is well embedded at service level. Service management teams monitor operational performance on a systematic basis using trends and exceptions to align with the EOT performance reporting timetable. For example, education and children's services has developed a detailed programme of internal performance reporting including local and SPIs, its standards and quality report and statistical reports, customer satisfaction and training provision. Team plans are used to translate BMIP objectives to individual responsibilities including annual targets.

**51.** Performance reports are well set out and highlight areas of strong and weak performance. These are included within agenda papers and on the council's website. Trends are monitored using both local and statutory performance information. Case studies are used to help illustrate progress. However, apart from the annual report of SPIs, the reports often lack external comparison with performance elsewhere.

**52.** The corporate plan and its corresponding annual performance report have clear targets for 2010, but lack interim targets. There are annual targets which are reported through the BMIP progress reports along with a wide range of detailed service delivery and improvement measures. Including progress against these interim targets in the council's annual performance report would allow the council to demonstrate more clearly progress against its overall objectives.

**53.** The council's public performance reporting is clear and balanced. It provides a snapshot of the council's direction of travel with regard to key objectives and illustrates these by a range of case studies. The council's annual report is supported by service

- a comprehensive reporting timetable to the EOT
  - six-monthly and annual reporting of service plan (BMIP) progress to service committees and the scrutiny committee
  - an annual performance report on progress against the corporate plan
  - annual progress reports for Community Planning to each of the themed partnership groups
  - an annual progress report on the OCIP to the strategic policy and resources committee
  - an annual public performance report and statutory performance indicators report.
- 49.** The EOT plays a key role in monitoring performance and receives reports according to an annual timetable that reflects the business cycles of individual services. For example, school attainment is

annual performance reports which provide progress against BMIP action plans. Other significant reports include the chief social work officer's annual report, and education and children's services standards and quality report which extends beyond education to the wider service. In November 2007, the council launched PKC Performs on its website which provides a useful update of the council's performance against its main objectives. The format shows an overall trend, along with more detailed performance information. The facility is not yet widely used by members and officers. However, it has the potential to be a very useful source of performance information, particularly for elected members and the public.

**54.** Risk management and contingency planning principles are well understood within the council. The council has had a corporate risk management strategy in place for some time. There is an established process for producing risk profiles at corporate and service level which link with the planning process and are monitored by EOT and the Scrutiny Committee. The council has experience of incident management, for example major flooding events, Foot and Mouth disease, major events such as the G8 Summit and T in the Park, and has also planned and exercised for potential major incidents.

## Scrutiny

The council has sound scrutiny arrangements providing members and officers with regular opportunities to consider performance information. The Scrutiny Committee is at an early stage in its development regarding its coverage of the council's decision-making processes.

**55.** The council's committee structure has been designed to ensure there is appropriate scrutiny from elected members. Each of the themed committees is responsible for monitoring the performance of services in delivering the council's corporate objectives. In addition, the

council has an overarching Scrutiny Committee which has the remit to monitor all aspects of the council's activities and to carry out its own programme of planned investigations.

**56.** In line with good practice, the Scrutiny Committee is chaired by a member of the opposition. It has been within the council's committee structure for some time and has well-developed arrangements for the scrutiny of performance information. However, its role with regard to scrutiny of decision-making processes has only recently started to take shape and particular emphasis is being placed on the development of a programme of investigations to be undertaken by the committee. The convenor is keen to learn about different scrutiny models in operation across Scottish local government so that existing best practice can be adopted. Additional support is being provided by the Strategic Management and Improvement Team.

**57.** The committee receives a range of performance reports and service briefings from officers. During 2007, plans and performance reports were submitted to committee several months after the reporting period. This was due to the impact of the council elections and the resource required to induct councillors. While the Scrutiny Committee has received information timeously in 2008, it should continue to keep the council's frequency of reporting under review.

**58.** The Audit Sub-committee manages the relationship between the council and its internal and external auditors. The committee meets on an eight-week cycle and has a lay member who provides financial advice to the committee. It is chaired by the vice-convenor of the Scrutiny Committee. We observed the operation of the committee as part of the audit and noted robust discussion on agenda items. In addition, the Lifelong Learning Committee has a sub-committee which scrutinises all school inspection reports. This provides the opportunity

for members to discuss these reports in detail outwith the business of the full committee.

**59.** Performance is considered by service management teams and EOT on a regular basis. MPs and MSPs for the Perth and Kinross area have an opportunity to challenge the council through the Parliamentary Forum and group leaders have a range of other opportunities through the Strategic Leadership Forum and member/officer working groups.

## Managing people

The council values its employees and regards them as central to delivering improvement but it has yet to develop a coordinated approach to workforce planning and needs to ensure its employee review process is up to date across all services. It has modernised its pay and reward package through the implementation of single status, supported by effective communication and consultation. It has also recently approved an HR strategy, reviewed its arrangements for managing sickness absence in response to increasing absence levels, and is in the early stages of rolling out an innovative employee survey.

**60.** The council approved its HR Strategy *Securing the Future – Together With Our Employees* in June 2007. This includes an Employee Charter setting out the council's commitments to, and expectations from, employees to support the council's vision. There is still a lot of work to do to implement the strategy which the council expects to take four years, including the development of service and corporate workforce plans.

**61.** The council's intranet is the main mechanism for keeping employees informed, along with face-to-face communication. However, not all employees can currently access the intranet so other mechanisms such as paper newsletters are also produced.

The council recognises long service and is keen to celebrate success through a newly introduced Securing the Future awards ceremony, where new approaches to improvements in services are recognised and rewarded. Business breakfasts also provide opportunities for employees to engage with the chief executive and executive directors to share good practice both within and across services.

**62.** The council implemented the single status agreement from August 2007 with no disruption to service delivery. A job evaluation process was undertaken affecting around 4,500 employees, with 98 per cent voluntarily accepting the new contracts offered. All employees are now working under new terms and conditions. This process was supported by an effective communication strategy involving employees, elected members, unions and the media, and consultation at critical stages in the process. The council has received 990 appeals and is currently progressing these. The council's reserve strategy earmarked funds to meet the implementation of single status and future costs.

**63.** The council has reported an increase in sickness absence levels among chief officers and local government employees, rising from 3.8 per cent in 2004/05 to 5.5 per cent in 2006/07. While this remains just below the national average of 5.6 per cent, it represents a sharp increase in absence levels. Sickness absences for craft workers also increased while there was some improvement in teachers' absences. The council is undertaking a review to identify and address the underlying issues. In 2006/07, there was a focus on better management of teachers' absences which achieved savings of £231,000. The HR strategy sets out a positive and proactive approach to employee health and wellbeing. There are new framework documents, including the employee health and attendance procedure, dignity at work procedure and revised arrangements

for occupational stress as well as new occupational health arrangements.

**64.** The council's latest employee survey, undertaken in 2005, provided positive feedback from employees. Action plans were developed to progress issues at both corporate and service levels with the EOT monitoring progress on an annual basis. The latest progress report, in February 2008, confirmed that all material actions had been delivered.

**65.** The council is developing an online employee survey focusing on 15 key questions designed with a short turnaround period to give quick feedback at team level. This has been successfully piloted in the chief executive's office and corporate services, with the environment service next in line to trial the process. The experiences of the environment service will be important as many employees do not have online access and therefore other ways of reaching employees are being considered. It is intended to roll out the survey to all services by the end of 2008 and conduct these three times a year in each service. A key advantage is that this process will quickly identify specific issues and because information is gathered at team level, swift action can be taken to address issues.

**66.** Only 71 per cent of employees have current personal objectives agreed with line managers. Although the council has an established review scheme, uptake is variable across services ranging from 79 per cent in corporate services to 65 per cent in education and children's services. In the latter case, the service introduced a revised scheme bringing teachers from a biennial process to an annual process in line with all council employees. It is more difficult to embed the review process with front line employees in rural areas and/or part-time workers. The review process is supported by the council's corporate training plan which offers development opportunities linked with corporate objectives. Our

focus groups confirmed that some employee reviews were not up to date but employees were positive about training opportunities provided by the council.

### Managing finance

Financial management is very strong in the council and has continued to improve in recent years. A comprehensive reserves policy is regularly updated as part of the budget process and, more recently, medium-term planning has been further developed to better align budgets and corporate objectives.

**67.** The council's general fund balance increased by £8.8 million for the year 2006/07, increasing the cumulative surplus on the general fund to £28.7 million. The surplus for the year consisted mainly of: project slippage in roads and transport of £2.8 million, planned carry forwards in school budgets through devolved school management of £1.2 million, additional income of £2 million from council tax and, due to the delayed implementation of single status, a provision of £2 million was carried over to fund single status costs in 2007/08.

**68.** Through prudent financial management, the council has traditionally held a significant amount in reserves. At 31 March 2008, this was expected to be around £32 million, representing significant commitments of £22 million for equal pay and single status provisions, amounts earmarked for affordable housing and investment in the school estate, and free balances of £10 million. This is in line with the council's reserves strategy, which was recently updated and aims for an uncommitted general fund balance of between two and four per cent of net revenue expenditure.

**69.** The council has recently set out its first medium-term financial plan, which covers a five-year period. This new plan is important in

demonstrating how overall financial resources will be used in delivering key corporate objectives. As part of the budget setting process, services were asked to prepare their submissions to the EOT in the context of the corporate plan objectives. Each proposal included a brief impact analysis showing how it was linked to the delivery of key objectives. However, the process is not yet sufficiently developed to show whether resources are shifting to meet changing priorities.

**70.** A comprehensive system of effective budget monitoring is in place with regular reporting to members. The monitoring reports provide members with a clear picture of the main financial issues and overall financial position against the agreed budgets on a timely basis throughout the year. A budget flexibility scheme has operated for a number of years which allows the carry forward of unspent monies with council approval and within permitted limits.

**71.** In line with planned improvements, capital plans were extended from three to five years as part of the last budget setting process. In preparing the new plans, the council's corporate resources group manages a robust process which requires business cases to support significant capital bids and a ranking process against specified criteria based on the corporate plan. Projects within the existing three-year plan were reviewed to ensure they met the new criteria and are aligned to corporate priorities and service BMIPs. In addition, the council is implementing a housing standard delivery plan which will achieve the housing standard and the Scottish housing quality standard by 2015.

### Asset management

The council has robust processes in place for handling its wide range of assets.

**72.** The council has done a significant amount of work in taking forward its asset management strategy and plans. An overarching corporate asset management plan covering the four strands of roads and greenspace; fleet; ICT; and property is currently being pulled together but the detail is already in place, supported by data on all types of asset held and condition surveys.

**73.** Service asset management plans inform the BMIP process and the capital planning process. A protocol for identifying and dealing with surplus property was agreed in 2007 and regular reviews take place to identify any other surplus assets. The capital prioritisation process depends on costed business cases requiring consideration of both capital needs and revenue implications; however, whole life financial estimates have not always been robust. This is an area where services recognise that they need to improve.

**74.** An example of how the council links its assets with service objectives is its promotion of Perth harbour. An options appraisal was commissioned for increasing the use of the harbour for river based freight. Through consultation with a harbour users group, the study identified the need to regenerate the harbour as a business area and improve marketing to encourage greater freight capacity. The council is on track to meet its 2008 target for a two per cent increase in freight tonnages handled by the harbour.

### Continuous improvement activity

The council has a well-structured improvement process linked to its performance management framework. This includes an integrated programme of reviews and clear leadership from senior managers. Employees are increasingly involved in self-evaluation and other improvement activities.

**75.** The chief executive's office has a Strategic Management and Improvement Unit which leads on new corporate initiatives and shares and supports good practice across the council. It provides guidance and monitors implementation and consistency across services. Good review and project management guidance has been developed to help ensure a consistent approach to service improvement. This includes the use of self-assessments such as 'how good is our council?' to inform corporate and service improvement plans.

**76.** In addition to its major structural reorganisation, the council has also undertaken 'fit for purpose' reviews to further rationalise and clarify management structures, and to identify areas of under-capacity. The council has also been developing its overall approach to modernisation and customer services.

**77.** The council has integrated improvement activity into performance management and service planning. The OCIP 2006-10 sets out a five-year council-wide improvement programme covering key best value areas such as people management, customer services, sustainability, continuous improvement and governance. The plan includes timescales for action and identifies responsible officers. This is supported by separate detailed project plans as the scope of each objective is developed and agreed by the executive sponsor and responsible officer. This provides an effective mechanism to measure progress against the OCIP.



**78.** The council is now making good progress in many of the OCIP areas including:

- adopting a HR strategy
- developing medium-term financial planning and five-year capital planning
- improved performance reporting to service management teams and the EOT
- establishing a contact centre
- approving a corporate procurement strategy and consortium contracts
- developing an ICT strategy including investment plans.

**79.** Recent review activity in the council such as homecare, learning disabilities and property maintenance has led to improvements in existing services and processes. The council has also recently conducted more strategic reviews including options appraisals of leisure services and its harbour operations. These have not yet produced detailed finalised options with costed benefits. In order to robustly challenge existing approaches to service delivery across the council and to achieve greater impact, the council recognises that it needs to identify and deliver a more extensive programme of strategic best value reviews.

**80.** The council demonstrates good practice in continually improving its existing processes to support its services to customers. It routinely involves employees in the change process. For example the 'Kaizen Blitz' technique was adopted by the council in November 2006 to improve business processes. This involves a team of employees spending an intensive week identifying improvement actions which is followed by a 90-day implementation period. Early reviews included handling planning applications and roads and street lighting faults. Performance in dealing with roads

defects significantly improved following the review, with 100 per cent of Category 2 roads defects completed within target (seven days) in April 2007 compared with 66 per cent in April 2006. Aspects of the planning service are covered in [Part 3](#) of this report.

**81.** A further nine Kaizen events have taken place including a joint exercise with the CHP. A framework is now in place to manage Kaizen Blitzes as a prioritised programme within resources. While the approach is leading to process improvements in service areas, it is too early to assess the overall impact across the council.

**82.** Employees are also encouraged to make time for improvement activity by delaying opening to the public one morning each month, to allow employees to participate in activities such as Team Plan updates, e-learning, and service self-evaluation.

### Competitiveness

The council operates a mixed economy of service provision. It procures services including catering, cleaning and building maintenance both externally and through Tayside Contracts, a joint trading arrangement with Dundee and Angus Councils. It also provides some services in-house, such as social housing repairs, grounds maintenance and refuse collection. However, market testing is not undertaken systematically for all existing commercial activities and the council does not apply benchmarking consistently across its operations.

**83.** The council's Best Value review guidance includes options appraisal to identify alternative service delivery options. The council has not routinely exposed commercial activities to competition since 1996. It benchmarks its activities against its comparators where robust information is available. It has market tested services where it is aware of cost or quality issues; for example

grounds maintenance was formerly contracted out in its entirety but was brought back in-house following a review of cost and quality.

**84.** The council also tenders all new construction work over the value of £150,000 and 25 per cent of all other new work, but it does not expose all existing work areas to regular market testing. The council needs to ensure that benchmarks are available across all of its commercial activities.

**85.** Tayside Contracts has extensive experience and a good track record in winning a significant proportion of competitive contracts, and it also has contracts with other councils and roads agencies. It is therefore a good practice example of effective joint working allowing the three authorities to benefit from economies of scale.

**86.** The council's process to market test 25 per cent of new work in addition to all high-value work provides a benchmark comparison for specific contract areas. It also undertakes benchmarking to a varying extent across its commercial activities. For example, it ensures its building services costs are in line with the national Housing Quality Network rates, and it has recently joined a benchmarking group to share good practice in schools catering. However, most detailed benchmarking is undertaken as part of service improvement reviews rather than on a systematic basis. The council has recognised the need to improve its benchmarking approach in its 2008 corporate improvement plan.

### Delivering efficiencies

The council is making progress in delivering efficiency savings. This is expected to accelerate now that a collaborative procurement framework is in place, with further savings also anticipated from the range of continuous improvement activity conducted by the council.

**87.** In 2006/07, the council reported that it had achieved total efficiencies of £3.2 million, including savings from procurement (£0.2 million), absence management (£0.2 million), improved energy/water efficiency and better use of equipment and vehicles (£0.3 million), debt restructuring and improved collection levels (£0.6 million), streamlining bureaucracy (£1.4 million) and others (£0.5 million). No savings were identified from shared services.

**88.** The council has built efficiency savings into its budget setting processes over the last two years, with all services required to make a contribution. Detailed analysis was undertaken to support completion of the council's 2006/07 annual efficiency statement. It is not currently possible, however, to monitor progress in achieving efficiencies throughout the year as this is built into budgets and monitored in overall terms through the budget outturn. It would therefore be helpful to members and EOT if processes were in place to more systematically collect information on efficiency savings.

### Procurement

The council has recently increased momentum in implementing its procurement strategy. Lead officers have been identified in services to promote a consistent approach to procurement. A central procurement unit is in place and a consortium involving Perth & Kinross, Dundee and Angus Councils has been established.

**89.** The council has largely implemented its procurement plan, which was approved in 2006 to support its Corporate Procurement Strategy. A central procurement unit is in place supported by a governance framework and within services local champions have been identified to communicate and promote new approaches. A central contracts register is in place and a full contract

audit is being progressed. The council is currently implementing PECOS, the government sponsored eProcurement system, and is involved in national initiatives such as Scotland Excel.

**90.** The three councils in Tayside launched the Tayside Procurement Consortium (TPC) in November 2007 and are considering the further inclusion of Tayside Contracts. The consortium formalises existing collaborative procurement arrangements in the area. A strategy, management and governance arrangements have been established and a central procurement team is located in Dundee to work closely with the individual councils. Initial estimates of total consortium savings over the next two years are in the region of £2 million.

### Equal opportunities

The council is clearly committed to providing equality for its employees and supporting them to deliver equality for service users. It could, however, further involve equalities groups in developing services and it needs to improve its performance monitoring to demonstrate that it is delivering equality through its services.

**91.** The council's approach to equalities is guided by its Corporate Equalities Policy, Equalities Strategy and action plan 2007-10 and its statutory schemes for race, disability and gender equality. Its commitment to delivering equal opportunities is a core value of the council, reflected in its strategies and plans and through a number of working practices. For example, the council has established a Corporate Equalities Group led by the chief executive; a member/officer working group to lead development of equalities across the council; a good range of equalities guidance and learning opportunities for employees; and the inclusion of 'equality and dignity at work' as a competence in the Employee Review and

Development scheme (ERD). Equality improvements made by the council include increased physical accessibility of its public offices and, along with partners, the production of a detailed guide for migrant workers entering the Perth and Kinross area.

**92.** The council could have involved equalities groups more effectively in developing its policies and statutory equalities schemes. It has made efforts to increase their involvement in developing services for particular needs and can demonstrate some positive practice ([Exhibit 10](#)). In responding to the increasing diversity in Perth and Kinross, the council has identified the need for better engagement with equalities and minority groups. This is outlined in its equalities strategy and its community engagement strategy action plans, although these would benefit from clearer targets against which to judge success.

**93.** The council implemented the single status agreement on 1 August 2007 and subsequently published its equal pay policy. A gender impact assessment of the single status agreement has been carried out, along with an interim equal pay audit of the pay and grading structure over the remainder of 2007/08, which did not identify any unexplained variances in the salaries between men and women.

**94.** SPIs for 2006/07 relating to equalities show that 56.7 per cent of council buildings were accessible to disabled people; this is above the Scottish average of 51.9 per cent. The proportion of women among the highest paid two per cent and five per cent of council employees was 26.5 per cent and 36.1 per cent respectively, both below the national averages of 33.9 per cent and 40.4 per cent.

**Exhibit 10****Designing services around users needs – review of learning disabilities**

The learning disability service has been reviewed with the aim of transforming a relatively traditional service into an inclusive personalised service that will promote social inclusion and participation.

People with learning disabilities have been fully involved in the planning and implementation of the review, with 125 users of adult learning disability services in Perth and Kinross along with 46 family carers being consulted about the redesign of service. As part of the extensive consultation exercise carried out by the Consortium for Learning Disability, individuals had a video diary room where they were able to discuss their experiences and issues and a person with learning disabilities was part of the consultation team. Service users continue to be involved in the implementation of the review through a consultation reference group and representation on the project board.

As a result of the innovative approaches taken, the services and opportunities offered are being redesigned to meet the current and future needs of service users more effectively.

Source: Perth & Kinross Council

**95.** Performance in meeting equalities requirements is reported six-monthly to EOT and the Strategic Policy and Resources Committee. However, monitoring data relates predominantly to equality in employment, and does not extend across the council's key policies or its range of services. This means that the council is unable to demonstrate that it is meeting its statutory duties of providing equality in the delivery of its services and functions. This has been identified in the council's strategic Best Value review of equalities implementation, from which the council has agreed to carry out a programme of improvement for equalities.

# Part 3. How are services performing?



The council's SPIs demonstrate improvement above the Scottish average. The majority of indicators are in the middle quartiles but, overall, the council performs slightly better than the national picture.

The council is aware of those aspects where improvement is needed. Good progress has been made in addressing improvements arising from external inspections in aspects of housing, education and social work. Action has been taken in seeking solutions to a long-standing problem in the time taken to process planning applications. The council has developed a sound approach to managing and delivering its services in a sustainable way but it needs to better demonstrate its environmental impact.

The council is committed to delivering high-quality customer care and this is reflected in its customer service standards. The council needs to take a corporate view of customer satisfaction activity to ensure that it is more systematic in seeking feedback in the future. The council needs to complete its review of rural service contact arrangements and its implementation of the customer relationship management system. The council offers a range of services electronically and its website has been independently assessed as being among the best in Scotland.

### Statutory performance indicators

The council's SPIs demonstrate improvement above the national average. The majority of indicators are in the middle quartiles but, overall, the council performs slightly better than the national picture.

**96.** Each year local authorities are required to report and publish information about their performance through SPIs. Audit Scotland collates the information for all councils and publishes a compendium of all SPIs

### Exhibit 11

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

	Measures that worsened by:			Measures that improved by:		
	>15%	10-14%	5-9%	5-9%	10-14%	>15%
Scotland	7	3	4	5	4	11
Perth & Kinross	10	2	1	7	3	14

Source: Accounts Commission SPIs

and council profiles on its website. The council profiles contain 82 measures taken from the SPIs. While these do not present a comprehensive picture of performance across all services, they do allow some comparisons and trends between councils and over time.

**97.** The council's SPI performance shows an improving picture between 2004/05 and 2006/07, compared to the Scottish average ([Exhibit 11](#)). Between 2004/05 and 2006/07, performance worsened by at least five per cent on a total of three indicators, compared with a national average of seven indicators, and by at least 15 per cent on a further ten indicators, compared with a national average of seven indicators. However, 24 indicators improved by at least five per cent, demonstrating an improvement to decline ratio of 1.8. This is better than the national improvement to decline ratio of 1.4.

**98.** The distribution of SPIs across all aspects of performance compared to other local authorities indicates that the majority of indicators remain in the middle quartiles. The number of measures in the upper quartile is slightly higher than the national average and the number of SPIs in the lower quartile is slightly lower than the Scottish average ([Exhibit 12, overleaf](#)).

**99.** There are seven indicators where the council is ranked within the top three performing councils:

- Staff qualification – the percentage of care staff in residential homes for children who are qualified.

- Respite care (children) – percentage of respite nights not in a care home.
- Respite care (children) – percentage of daytime respite hours provided not in a day centre.
- Consumer complaints – the percentage of complaints processed within 14 days of receipt.
- Refuse collection – the net cost per property of refuse collection.
- Asset management – proportion of operational property that is in a satisfactory condition.
- Homecare – percentage of homecare clients aged 65+ receiving personal care.

**100.** In addition, there are three indicators that are ranked among the three worst performing councils. In all three cases, the council has recognised the need for improvement and has allocated extra funding in these areas as part of the 2008-09 budget process:

- Homecare – total hours as a rate per 1,000 population aged 65+.
- Respite care (children) – total overnight respite nights provided per 1,000 population.
- Planning application processing time – the percentage of householder applications dealt with within two months.

**101.** We considered performance within a selection of the council's

## Exhibit 12

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

	Upper quartile	Middle quartile	Lower quartile
Adult social work	4	13	3
Benefits administration	–	1	1
Education and children's services	3	2	3
Corporate management	5	6	1
Cultural and community services	2	8	–
Development services	–	–	2
Housing	2	9	–
Protective services	3	2	–
Roads and lighting	1	3	–
Waste management	3	2	1
<b>Total</b>	<b>23</b>	<b>46</b>	<b>11</b>
Scottish average	21	47	14

Note: There were two measures recorded as 'no service provided': adult social work (residential care staff who are qualified, working with other adults) and protective services (domestic noise complaints, requiring attendance on site).

Source: Accounts Commission SPLs

services. Commentary on relevant statutory and local performance indicators is provided in the sections that follow, together with other evidence of how each is performing.

### Customer focus

The council has effectively implemented customer service standards and improved call handling. In addition, it needs to ensure that customer service training and development is fully implemented for all front line staff. It asks customers for their views on services in a range of ways but recognises that it needs to take a corporate view of customer satisfaction work to ensure that it is more systematic in seeking and using feedback in the future. The council needs to complete its review of rural service contact arrangements and its implementation of the customer relationship management system (CRM).

**102.** The council can demonstrate a commitment to good customer service through the implementation of its customer service standards in April 2007 and the effective monitoring of these standards.

**103.** These standards are part of its Customer Service Strategy introduced to develop its approach to customer care and customer handling. A Customer Service Centre (call centre) was set up in October 2006 to provide a single point of contact to handle service enquiries and transactions. The council also created a Customer Service Point, located within Perth city centre, to handle face-to-face contact with customers. The implementation of the council's CRM system is in its early stages. The system went live in March 2008. Before making it a more widespread tool for managing and coordinating customer interactions, the intention is to roll it out to the reception of Pullar House, one of the council's main offices located in the centre of

Perth. When fully implemented, the CRM should contribute to enhanced customer service and better performance monitoring.

**104.** The council is in the process of reviewing the face-to-face customer contact provided in rural areas. This work will look at how best to maintain a council presence and ensure efficient and effective customer service in rural areas.

**105.** Customer satisfaction with services is reviewed in a range of ways, including satisfaction surveys, focus groups and the business first survey. Service BMIPs contain measures of customer satisfaction and progress on these is considered by senior management teams. However, there is no corporate overview of customer satisfaction activity and the council needs to be more systematic in its collection and use of customer views. There is also scope to improve links between customer feedback and the performance management framework to better inform future decision-making and corporate improvement activity.

**106.** Work is currently taking place to meet the national Customer First agenda. The Kaizen Blitz methodology has been applied in a number of front line service areas to help deliver services more accurately, quickly and efficiently. These included reviewing the effectiveness of the public reception area in Pullar House; improving customer access to front line social workers; and examining the issues faced by the planning service. The council has also completed a Kaizen of its complaints system and a new system is due to be implemented later this year, which will more effectively track individual cases and help the council to use information about complaints to improve its services.

**107.** The Society of Information Technology Management (SOCITM) recognises the council's website as one of the top in Scotland, being one of only seven councils to be classified

as an 'excellent' or 'transactional' website (Better Connected, 2008). The council is committed to offering a number of services through electronic means and continues to develop this provision to help ensure customers can access services through a wide range of channels.

### Education and children's services

HMIE report that educational attainment has been improving, and is broadly comparable with the national averages but below that of comparator authorities. The recent improvements follow a period of instability in management and leadership. Indications are that the new leadership team is providing clear direction and a focus on improvement.

**108.** A new executive director of education and children's services (ECS) was appointed in December 2007. Since 2000, the post had been filled by five different directors, two of whom had acted in interim roles. The service management team is also relatively new, with heads of service appointed in 2006. Together they are re-building confidence in the leadership and direction of the service.

**109.** A joint post of chief social work officer (CSWO) and depute director of housing and community care was introduced in 2004. Good progress is being made by both community care and children's services to strengthen and integrate this role across their services. The CSWO attends ECS management team meetings when required and reports directly to the chief executive. Good outcomes have been achieved with regard to the number of children and young people in residential care. In 2007, education outcomes for looked after children improved and the council hopes to achieve further improvement using a range of methods including its corporate parenting initiative. A group of volunteer senior officers from the EOT and the corporate management group will fulfil the role of advocates

### Exhibit 13

#### Secondary school attainment – June 2007

Attainment	Perth & Kinross Council	Scottish average
Percentage of S4 roll gaining 5+ awards at level 5 or better by end of S4	35	34
Percentage of S4 roll gaining 3+ awards at level 6 or better by end of S5	25	22
Percentage of S4 roll gaining 5+ awards at level 6 or better by end of S6	22	20

Source: Scottish Government

for individual children and young people. They will not have direct contact with children but will be aware of progress and seek to ensure that individual needs are being met.

**110.** The education function of the council was last inspected by HMIE in May 2003. At that time the inspectors found financial management to be very good; eight aspects, including leadership, to be good; and two aspects, continuous improvement and deployment of centrally employed staff, to be fair. Attainment in mathematics in primary schools and at S3/S4 in secondary schools required improvement, and there was a need to measure the impact of initiatives designed to improve pupils' achievement and attainment.

**111.** Follow-up reports were issued by HMIE in August 2005 and in September 2006 to assess progress in meeting the recommendations from the first report. The first follow-up reported that, overall, limited progress had been made. The September 2006 report indicated that most pupils were achieving appropriate national levels of attainment but the education authority's performance was below the average of comparator authorities on almost all key measures. While the inspectors were able to conclude that overall good progress had been made, more needed to be done to strengthen aspects of the service and

in particular attainment in secondary schools. Attainment information from 2007 shows that a majority of pupils achieved national levels in reading, writing and mathematics by the end of S2 and by S4 and S6, the overall proportion of pupils achieving success in national qualifications was above national averages for most measures of performance (Exhibit 13). Attainment was in line with national averages on a number of measures of performance of lower-attaining pupils. HMIE reports can be found at: [www.hmie.gov.uk](http://www.hmie.gov.uk)

**112.** School inspection reports from 2005 to 2007 found variations in quality. In many cases, aspects of the service were deemed to be good or very good; however, some inspections highlighted issues around attainment, the quality of leadership and effectiveness of approaches to self-evaluation. More recently, school inspection reports and follow-through reports have found that quality has improved overall, although there continue to be isolated cases of weak performance.

**113.** Through its school estate management plan, the council recognised the need to invest and replace school buildings and to more effectively manage accommodation capacities. As part of an ambitious investment in learning project, of approximately £100 million, construction of six new community

campuses is in progress with completion expected over 2009-11. The business change project board has wide representation across the service and will work closely with campus change teams who have responsibility for engaging with the community and the school over construction and implementation of the new facilities. In addition, the capital programme has provided £30 million in recent years to construct new schools and provide significant upgrades.

**114.** Education and children's services also include cultural and community services. Over the last two years these services have received national recognition for libraries, arts, heritage and youth services. For example, the heritage service received the Significance Award which recognised the council's collection as one of national significance.

**115.** Community groups have worked with community learning and development staff to assess the needs of communities across Perth and Kinross. There is an increasing number of examples of communities being involved in shaping services in their areas. Examples include the Start festival, North Perth info text project and the literacy and sport project targeted at vulnerable young people.

### Housing and community care

Recent inspections of housing and social work services have highlighted a strong capacity for improvement within these services and this is borne out in the demonstrable improvements the council has subsequently made. Effective joint working between housing and community care services and with the NHS is helping to provide more integrated services and improved outcomes for users. However, the council is not meeting its affordable housing targets and this continues to be a challenge with high average house prices and growing population.

### Exhibit 14

SWIA evaluation of social work services in Perth and Kinross – March 2007

Area for evaluation	Rating
Outcomes for people who use social work services	Good
Impact on people who use social work services and other stakeholders	Adequate
Impact on staff	Adequate
Impact on the community	Adequate
Delivery of key processes	Adequate
Policy and service development, planning and performance management	Good
Management and support of staff	Adequate
Resources and capacity building	Good
Leadership and direction	Good
Capacity for improvement	Very good

Source: SWIA, March 2007

**116.** In May 2007, the Scottish Housing Regulator (SHR), formerly Communities Scotland, reported on its inspection of housing and homelessness services in Perth and Kinross. Housing management and property management were assessed as 'fair' while homelessness was assessed as 'poor'.

**117.** The council responded quickly and positively, making significant progress in addressing the most critical issues in the report. For example, the Greyfriars hostel has been completely revamped and management structures revised to improve facilities and the experience for clients at the hostel. The council agreed its improvement plan in December 2007. This will be monitored by the SHR and its reports can be found at: [www.scottishhousingregulator.gov.uk](http://www.scottishhousingregulator.gov.uk)

**118.** The Social Work Inspection Agency (SWIA) published its findings from a performance inspection of the council's social work services in March 2007 (Exhibit 14). Overall, SWIA provided a mixed picture of performance but highlighted a very good capacity for improvement. A follow-up visit has been carried out

by SWIA which has commended the council for its work to achieve improvements in social work services in both housing and community care and education and children's services since the publication of the original performance inspection report. SWIA reports can be found at: [www.swia.gov.uk](http://www.swia.gov.uk)

**119.** The 2006/07 SPI data shows that the council's performance is high for the number of homecare clients to which it provides personal care, and that it provides this care to an above average number of clients during evenings/overnight and at weekends. In contrast, the council's performance is marginally below the national average across the range of SPIs relating to its criminal justice services.

**120.** There are a number of effective joint working arrangements covering housing and community care services. For example, two social workers are permanently based at Greyfriars homeless hostel and managed through the housing service to support the needs of homeless residents. There is effective working



with NHS Tayside and Perth and Kinross CHP, for example, joint commissioning of services, co-location of mental health services, joint funding of posts for older people, and joint review work. Good integrated working is having a positive impact on outcomes, for example, significant reductions in delayed discharges for hospital patients. Historically, Perth & Kinross has been actively involved in testing new ways of working with partners to improve service outcomes and this is reflected in it being the first area in Scotland to have single shared assessments for its clients.

**121.** Affordable housing is a clear priority for the council, but in recent years it has failed to meet its targets for increasing the supply of affordable homes. During 2006/07 there were 136 new affordable houses built in Perth and Kinross compared to a target of 172. At the time of our audit, data available for 2007/08 estimates a further 150 new affordable houses, a shortfall compared to the council's target of 174. The council faces a number of challenges in improving the supply of affordable homes, including the availability of affordable land, especially within areas of Highland Perthshire.

**122.** To address this, the council is developing a holistic approach to affordable housing. For example, it works closely with local landowners to secure land below market rates and has established an affordable housing working group to look at the issue in relation to its impact on school capacities, other local infrastructure and services, along with an affordable housing member/officer working group to oversee developments.

**123.** The council has provided training in relevant policy areas for members of the Development Control Committee, although this has not directly improved the success with which affordable housing applications are approved by the committee. Between May 2007 and February

2008, the committee rejected proposals for 57 houses contrary to officers' recommendations. Despite making improvements to the way it approaches affordable housing, the council needs to examine how it can better translate this into successful outcomes for its growing and increasingly diverse population.

### The local economy

The council has a strong vision to promote the local economy and recognises the important role of tourism. It has actively supported events in partnership with communities and the private sector. The council has set ambitious economic targets for 2010 and beyond but needs to set more explicit interim targets to demonstrate progress against these. It faces challenges in providing employment opportunities and developing the infrastructure to support economic growth.

**124.** The council has a clear vision to support the local economy as set out in the 'prosperous, sustainable, inclusive economy' and 'vibrant and successful area' aims of the corporate and community plans. These include clear targets for 2010 relating to employment, vocational qualifications, business start-ups and inward investment from tourism. The council recognises its importance as the largest employer in the area, and the role of tourism as a key economic driver.

**125.** The Economic Development Strategy and Joint Action Plan (2006-10) provide the context and vision for economic development centred on partnership working. However, the strategy does not state interim milestones for the council's 2010 targets. The Economic Partnership, a Community Planning themed partnership group, had to refocus its efforts over the last year due to changes in the national context including, for example, the review of Scottish Enterprise, the

restructuring of VisitScotland and a new contractor for Business Gateway Tayside. The council also reviewed the effectiveness of the partnership during this period and it is now being taken forward under a new structure. The partnership meetings are now more focused to include updates from working groups, and tackle specific themes such as employability and infrastructure.

### Tourism and events

**126.** The council has a partnership with VisitScotland to market Perth and Kinross nationally and internationally. The Experience Perthshire Tourism Strategy & Action Plan for 2006-11 sets out a clear vision to develop and market Perthshire as one of Europe's most highly regarded tourism destinations. This is supported with five-year targets including numbers of visitors and tourism expenditure. The council has adopted the government's ambitious target to increase the value of tourism to the economy by 50 per cent from 2005-15.

**127.** In March 2007, Perth & Kinross Council was accredited with Cittaslow status, with the support of Scottish Enterprise Tayside. Cittaslow aims to encourage all sections of the community to enjoy healthy eating and healthy living, the protection and improvement of the environment, and the promotion of local producers and traditional production values, signing up to 60 goals in order to adhere to its principles. The accreditation is in its early days and it is too soon to measure the tangible benefits of Cittaslow.

**128.** For 2006/07, the council has reported an 11 per cent increase in tourism revenues (from £373 million in 2006 to £417 million in 2007) exceeding its target of eight per cent. It believes it can achieve its 2015 target to increase the economic contribution from tourism through major events and increased marketing.

**129.** Perth and Kinross hosts a number of major events including the T in the Park music festival, the Blair Castle International Horse Trials, and the Enchanted Forest. It estimates that events contribute some £15 million to the local economy. The council aims to develop events and ultimately encourage community and business ownership so that events can be self-sustaining without the need for ongoing funding.

**130.** For example, the Enchanted Forest sound and light experience was established by a public sector partnership in 2002 and attracted approximately 2,000 visitors in its first year. The event has now moved from Dunkeld to Pitlochry with the local community, through the Pitlochry Partnership, taking an active role in developing the event and making links with local businesses. In 2006, the event attracted 16,000 visitors and an economic impact assessment identified a net contribution of over £500,000 to the area. Owing to the success of the event, the council's financial contribution has reduced over the years to £5,000 in 2008.

**131.** The council assesses a range of funding criteria including the economic impact of events, anticipated numbers of visitors, and the capacity of the events organisers. It has developed an events strategy and a support toolkit for event organisers to help promote good practice. It is developing its approach to community consultation to ensure that residents are made aware of the potential benefits of events as well as any negative impact. [Exhibit 15](#) is a further illustration of how events can contribute to the economy in Perth and Kinross.

### Exhibit 15

#### Increasing tourism – the Blair Castle International Horse Trials

The Blair Castle International Horse Trials is an annual event which has demonstrated sustainable growth since 1989.

In 2005, Perth & Kinross Council together with national bodies EventScotland and SportScotland worked in partnership with the event director to promote the event to one of international status. The funding package created allowed the event to develop to a level where it was able to host European championships. In 2007, the Blair Castle International Horse Trials hosted a successful European Young Riders Championship.

The event attracted 35,000 visitors and £3.4 million to the local economy (an increase of over £2 million in three years).

Source: Perth & Kinross Council

#### Enterprise and Skills

**132.** Perth and Kinross is experiencing positive economic trends in its Gross Domestic Product (GDP), monthly earnings, vocational qualifications and employment figures. In common with other councils, it has a contract with Business Gateway to support business start-ups. It has funded an additional two business advisers to provide business support in rural areas. The council did not meet its target level of new business start-ups in 2006/07 but is on schedule to meet the target of 230 for 2007/08. Approximately 75 per cent of business start-ups were still operating after three years, above the national level of 67 per cent as indicated in a 2007 Department of Trade and Industry small business survey.

**133.** There are lower numbers of people of working age claiming benefits in Perth and Kinross, at some 5.8 per cent compared to a national average of 9.7 per cent of population. However, there are particular challenges in rural areas where opportunities are more limited and travel can be restrictive. The council and its partners have set a target to get 2,000 people on benefits into work from 2008-11 through creating training and employment opportunities. Together they have developed an employability strategy.

**134.** The council has made some progress in addressing economic needs in more rural areas. For example the Eastern Perthshire Area Based Initiative ([Exhibit 16](#)) illustrates a range of initiatives involving the local community. The council recognises that it needs to further develop its approach to locality planning to ensure that rural areas and small towns are supported.

#### Creating a sustainable environment

The council is clearly committed to improving the quality of its environment, the quality of life of local people and the local economy and this is reflected in a range of actions and initiatives. It has developed processes to support environmental improvement, and a sustainability framework and quality of life indicators to better manage the environmental impact of its plans, programmes and strategies. However, it needs to better demonstrate its impact in practice. Given its projected population growth, Perth & Kinross faces particular challenges in reducing landfill waste and carbon emissions. In common with other councils, it also needs to find ways to maximise the contribution of procurement towards sustainable development.

**Exhibit 16****Working together in Eastern Perthshire**

The Community Planning Partnership/Area Based Initiatives Group, in conjunction with local community group Strathmore and the Glens Rural Partnership, held a public consultation event in December 2005, involving over 100 participants from the Eastern Perthshire community. From this, an action plan was finalised to reflect the regeneration aspirations of their community.

The Steering Group includes representatives from Perth & Kinross Council, Perth College, Communities Scotland, Strathmore and the Glens Rural Partnership, VisitScotland, Blairgowrie and Eastern Perthshire Tourist Association (BEPTA), Blairgowrie Merchants, Alyth Business Association and Coupar Angus Regeneration Trust.

Key achievements to date have included:

- Sirolli International Pilot Project to stimulate enterprise locally.
- Coupar Angus Townscape Heritage Initiative securing £5 million investment to regenerate the town's built heritage.
- Tourism is now being taken forward by the local community-led Blairgowrie and East Perthshire Tourism Association (BEPTA) to promote Eastern Perthshire.
- Young People's Employability Skills Survey is further developing links between the schools and local businesses to improve the delivery of vocational courses through work placements.
- Revitalisation of key streets through the Façade Enhancement Scheme in Blairgowrie.
- The widening of membership on the Steering Group has increased the number of actions being led by community representatives with the support of the public sector bodies.

Source: Perth & Kinross Council

**135.** The projected population growth in the area over the next 25 years poses significant challenges for the Perth and Kinross environment. The council is being proactive in ensuring that all members and senior officers are clear on the implications of planning for growth and that it is addressing the impact that growth will have on all services in an integrated and sustainable way. The projected scale of growth in Perth and Kinross will require the council to make difficult decisions about new and extended communities and it is clear that it needs to involve local communities in these decisions.

**136.** Protecting and maintaining the natural environment as well as the character and heritage of towns and villages in Perth and Kinross is central to the council's vision. It is clearly committed to managing the projected population growth in a way that continues to improve the quality of the local environment and the quality of life of local people. At the time of our audit, the council was developing an innovative web-based public space management guide, setting out the standards it is working to and how communities can be involved in improving them, as well as providing a single point of reference for anyone with an interest in public spaces, such as developers, architects, and local residents.

**137.** The council has targeted local environmental improvements in Hillyland and Letham, employing a dedicated neighbourhood environmental team (NET) that has made a positive impact on public spaces and street cleanliness.

**138.** The council's commitment to sustainable development is demonstrated by the EOT leading sustainable development as one of the nine OCIP improvement themes; a sustainable development network; and a recently established member/officer group to 'champion' sustainable development across the organisation. It is also standard practice within the council for all reports to committee to include the outcome from a strategic environmental assessment. In addition, the council can demonstrate a number of practical improvements in sustainable development, such as energy efficiency targets in the Auchterader master plan exceeding recommended levels and plans for a number of the new education campuses to move towards greener energy through the use of Biomass energy.

**139.** In common with other councils, minimising waste and improving recycling is one of its most significant environmental challenges. This is a particular issue for the council in view of the population projections. It also presents a substantial financial challenge due to escalating landfill tax and the council is potentially facing a financial liability of around £5 million under the Landfill Allowance Scheme. In response, the council is using £0.5 million of its Investment in Improvement funding to extend its kerbside recycling service to all 55,000 households in Perth and Kinross by the end of 2009.

**140.** The council has made progress in more efficient fuel usage in buildings and vehicles and cleaner vehicle procurement but has yet to demonstrate significant improvements in the contribution of procurement towards sustainable development.

Strategic initiatives which have assisted in this area include working in partnership with the Carbon Trust in launching its energy management and conservation policy, approving a sustainable development framework supported by quality of life indicators and completing a State of the Environment report that acts as a diagnostic tool to inform planning and decision-making processes. The council was awarded the Energy Institute's energy accreditation certificate in May 2008.

### Planning

Development plans need to be kept up to date to reflect the high rate of projected population growth in Perth and Kinross. Performance in dealing with planning applications has been poor in recent years. Recent changes are beginning to improve performance and this needs to be sustained.

**141.** Development planning has an important role in accommodating the high rate of projected population growth in Perth and Kinross over the next 25 years. The council needs to ensure its structure plan and local plans are regularly updated to reflect the changing context. This is highlighted in the latest population growth projections for Perth and Kinross of 22.2 per cent from 2006 to 2031, seven times greater than the three per cent assumption in the structure plan. The council's ability to finalise reviews of its local plans is, however, being delayed by commencement of the new Planning etc. (Scotland) Act 2006 in October 2008 and current legal opinion around the application of strategic environmental assessment regulations.

**142.** The poor performance of the council's planning service has been confirmed by our survey of elected members; an internal audit report in January 2008; and a trend of relatively poor performance against published SPIs in recent years. Latest SPI data for 2006/07 shows that only 50.2 per cent of planning applications were

determined within two months, well below the national average of 61.4 per cent.

**143.** The performance of the planning service in recent years has been influenced by a number of factors. A growth in the number and complexity of planning applications received in recent years, for example a 14 per cent increase in 2007/08, along with recruitment difficulties, has resulted in high caseloads for individual planning officers of around 200 applications per officer per year and a large and increasing backlog of applications to be dealt with.

**144.** The council has made a number of changes and introduced new initiatives to address performance issues. It has restructured the service, introduced a 'grow your own' initiative to address difficulties in recruiting planners, and made process improvements and introduced more effective performance management through carrying out a Kaizen Blitz in February 2007. The changes have resulted in improved performance. For example, application throughput has improved by 14 per cent over the last year, although this will not be reflected in 2007/08 SPIs because the service has focused on addressing the backlog of applications. Performance data shows that improvements following the Kaizen Blitz exercise have been variable and it is important that the service can sustain performance improvement through an overall programme of change.

# Part 4. What needs to improve?



The council has an ambitious corporate improvement agenda and has established a culture of continuous improvement among employees and elected members. It uses a wide range of self-assessment and review methodologies to drive change and has a high level of self-awareness of priorities for improvement. The council also recognises the need to consider more radical options to deliver its ambitious plans.

The council has dedicated a significant amount of effort to developing robust frameworks and strategies within identified areas for improvement and action plans are in place for implementing change.

Work is under way to deliver improvements required in some core services, including raising educational attainment and development planning.

**145.** 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.

**146.** To achieve this, Perth & Kinross Council has taken forward an ambitious programme of continuous improvement initiated by reviews of the corporate core and strategic reviews of services with current activity now largely coordinated within the organisational change improvement plan. The council widely uses self-evaluation techniques and has recently adopted the Kaizen Blitz methodology for examining specific processes. In order to achieve ongoing improvement, there is a need to examine different options for

### Perth & Kinross Council improvement agenda

- Ensure that effective progress is made on the key strategies that support sustainable growth and regeneration, and in particular, the specific issues around planning for growth and affordable housing.
- Enhance performance management processes by being more systematic in the use of customer satisfaction information, clearer articulation of milestones and outcomes and benchmarking comparators.
- With strategic partners, further develop performance management arrangements across the Community Planning Partnership to support the delivery of the Single Outcome Agreement.
- Implement and monitor the community engagement strategy, to enable the council to become more systematic in involving communities and in particular, equalities groups.
- Further develop medium-term financial planning linked with asset management plans.
- Develop and implement workforce planning and ensure that all employees have reviews that are up to date and objectives set and monitored.
- Develop a more robust approach to competitiveness which considers a more strategic programme of cross-cutting areas, benchmarking and options appraisal.
- Sustain performance improvement in handling planning applications.
- Continue to provide corporate support to the new service management team in education and children's services to maintain stability and sustain improvement.

service delivery and this has been recognised by the council within its plans.

**147.** The council demonstrates good awareness of where service performance needs to improve and is taking action to raise attainment and improve the indicators linked with processing planning applications. Inspections have been conducted across education, housing and social work in recent years, highlighting important action to be taken which the council has been active in addressing.

**148.** 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. It is consistent with the council's self-assessment of improvement areas and many of the actions required have already been built into the council's

improvement plan. The improvement plan will provide the basis for review and monitoring by the council's external auditor over the coming years.

# Perth & Kinross Council

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