

The Audit of Best Value and
Community Planning

Argyll and Bute Council

Progress report



Prepared for the Accounts Commission
December 2008

The Accounts Commission

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

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

The Commission secures the audit of 32 councils and 41 joint boards (including police and fire and rescue services). Local authorities spend over £16 billion of public funds a year.

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Commission findings



1. In January 2006, the Commission published the report on the Best Value Audit of Argyll and Bute Council, together with its findings. The report and findings identified a number of areas for action by the council and the Commission required a further report by the Controller of Audit on the council's progress. The Commission accepts this report as fulfilling that requirement. We recognise that the report gives a broad picture of the council's performance based on the work of Audit Scotland and does not attempt a comprehensive review of all service delivery. We acknowledge the co-operation and assistance given to the audit process by members and officers of the council.

2. The Commission accepts the conclusion of the report that progress has not been sufficient in a number of key areas and that there remains much to be done to develop a culture of continuous improvement, and endorses the areas highlighted in the report as requiring particular attention. The council must increase the pace of change towards a position where it is fully implementing Best Value, underpinned by appropriate and functioning systems and processes.

3. We acknowledge the recent improvements in leadership and strategic direction and the council's innovative approach to its Audit Committee, with the appointment of external, non-executive members as chair and vice chair. We also acknowledge the work of the newly appointed chief executive. However, we are concerned that a fully functioning performance management system is not yet in place and that key performance information has not yet been identified to enable monitoring and reporting of corporate and service plan objectives. We note, too, the limited progress that has been made in developing the role of area committees.

4. We encourage the council to act on the areas highlighted in the report and to increase the momentum towards the achievement of best value. We would ask the Controller of Audit to continue to monitor the situation and to consider whether it would be appropriate to revisit the council at an early stage in the Best Value 2 programme.

Introduction



The Local Government in Scotland Act 2003 introduced new statutory duties relating to Best Value and Community Planning. The report on the Audit of Best Value and Community Planning undertaken at Argyll and Bute Council, and the Accounts Commission's findings, were published in February 2006. This is a follow-up to that report.

The 2006 report described a council that had made limited progress in establishing Best Value. Elected members, the chief executive and some senior officers needed to provide clearer leadership to drive change and promote a culture of challenge. Continuous improvement was not embedded in the way the council worked. At a corporate level, the council did not focus sufficiently on the people who used its services. A number of services performed well, but the council needed to ensure that all services had a culture of rigorous challenge and improvement.

In its findings, the Commission said that the council had not fully grasped the opportunity to implement Best Value, which would help it to address the challenges of its geographical remoteness and the diversity of its population settlements. The Commission found that the council remained traditional in its approach to managing its business and needed clearer leadership and drive to follow through on its initiatives and to embed a culture of continuous improvement.

The Commission said that in order to develop a culture of continuous improvement the council needed to address the improvement agenda set out in the Best Value audit report and pay particular attention to:

- developing the corporate capacity of the Strategic Management Team (SMT) to play a more effective role in promoting Best Value, for example by engaging external support

- developing and using an effective strategic service planning framework and an effective corporate performance management system to drive up performance
- developing and using a clear, sustainable financial strategy, linking financial planning to corporate objectives and shifting resources to meet agreed priorities
- learning to recognise and spread the value of developments taking place within individual services to the organisation as a whole
- gaining a better understanding of what is happening in improving and modernising services in other organisations, including other councils.

The Commission required a formal statutory report from the Controller of Audit on the council's progress as at December 2007. The May 2007 elections led to significant changes in the composition of the council, which is now led by a coalition of independent and Scottish National Party (SNP) councillors. In order to provide as up-to-date a report as possible, this report provides an update on the progress that Argyll and Bute Council has made up to June 2008. A new chief executive took up post in September 2008, and we have noted some activity undertaken since her arrival.

We gratefully acknowledge the co-operation and assistance provided to the audit team by Argyll and Bute Council, particularly Councillor Dick Walsh, leader of the council; James McLellan, the outgoing chief executive; Brian Barker, Policy and Strategy Manager; Nigel Stewart, Director of Corporate Services and the new chief executive, Sally Reid.

Progress in Argyll and Bute Council



Overall conclusions

Over two years on from the original Best Value audit, the council has not made sufficient progress in dealing with the issues identified by the Accounts Commission. Progress has been made in some areas, notably changes to political structures and improvements in corporate planning, but overall there is a clear need to increase the pace of change. There has been increased momentum for change since the elections in May 2007, led by the leader of the council, and the latest Statutory Performance Indicators (SPIs) suggest that the rate of improvement in service performance has increased. There are early signs that the new chief executive, appointed in September 2008, is making a positive impact.

A number of key systems and processes to support Best Value have not been effectively implemented. A systematic process for reviewing services and ensuring continuous improvement in delivery needs to be embedded throughout the organisation. The council needs to focus attention on understanding the needs of citizens and services users and developing its service accordingly. The arrival of the new chief executive, working closely with elected members and senior colleagues, presents a significant opportunity for the council to continue to increase the pace of change and deliver improved outcomes for the people of Argyll and Bute.

1. Since the publication of the Best Value audit report in February 2006, there have been some improvements in the corporate leadership and strategic direction of the council, particularly since the May 2007 elections. Positive changes include:

- Improved political management arrangements and better member and officer working to give greater focus on continuous improvement.

- External 'non-executive' appointments as chair and vice chair of the Audit Committee to improve external challenge and scrutiny of governance and performance.
- Better links between the council's Single Outcome Agreement (SOA) and community, corporate and service planning processes, although the council has not clearly set out how the achievement of its vision and priorities will impact on citizens and service users.
- SMT has developed to provide more strategic direction, and should build on this to ensure that it brings about real change within the organisation and results in improved services.
- Greater use of external challenge within the best value review process.
- The establishment of strategic boards, reporting to SMT, which are designed to improve corporate working and manage the delivery of cross-cutting corporate objectives.
- Successful delivery of key strategic projects, such as single status, phase 1 of the Shared Services Diagnostic project and the Argyll and Bute Schools Non Profit Distributing Organisation (NPDO) project, which has delivered ten new schools on five sites between 2005 and 2008.
- The development of a new corporate Planning and Performance Management Framework (PPMF), approved in October 2008.

2. However, progress has not been sufficient in a number of key areas and there remains much to be done to develop a culture of continuous improvement. For example:

- The implementation of a corporate approach to performance management has been delayed

and is not yet embedded across the organisation.

- Arrangements for corporate risk management remain at the early stages of development.
- There has been slow progress in establishing benchmarks for service performance and efficiency.
- The approach to learning from other organisations is not systematic.
- The approach to Public Performance Reporting (PPR) has not progressed significantly, although a new PPR strategy was agreed in June 2008.
- Strategies for workforce management, asset management and best value reviews are now in place, but have not yet been fully implemented.
- The role of area committees has not been significantly developed.

3. The council must now accelerate the pace of change to embed Best Value principles into everyday management activity. The council needs to ensure it develops detailed project plans, supported by robust monitoring arrangements to drive forward the implementation of key Best Value systems and processes. It needs to measure the impact of these to ensure they result in improved services. There is a significant challenge to fully implement performance management arrangements to enable the council to identify and address areas of poor performance, and to re-focus attention on understanding the needs of its citizens and service users, and the impact its policies have in improving the lives of the people of Argyll and Bute.

4. In addition, the council needs to carefully consider the skills and experience it has available to deliver on its plans and ensure that

sufficient capacity exists to bring about the required changes to its culture, systems and processes. A new chief executive started work in September 2008, presenting a significant opportunity for the council to increase the pace of change. There is an urgent need for the new chief executive to drive improvement throughout the organisation and focus on delivering improved outcomes for the people of Argyll and Bute.

The improvement agenda

The council faces challenges because of its geography, sparsely populated area and the resultant pressures on service delivery. It has made some progress in developing the building blocks of Best Value, but the pace of change needs to increase. Arrangements for corporate and financial planning have improved but key aspects of Best Value, such as performance management, strategic resource management and citizen engagement remain underdeveloped.

5. Argyll and Bute is an area of outstanding natural beauty, including 25 inhabited islands. The area is very sparsely populated with 92,000 people occupying ten per cent of the land mass of Scotland. The islands are connected to the mainland, but not well interconnected, and the mainland is divided by long sea lochs that further fragment already remote communities. The area is facing a changing population profile as younger people leave to pursue their education or seek work. The older population continues to increase because of higher life expectancy and because the area is an attractive retirement destination.

6. These key features of the area affect the range and cost of available services, and the development of corporate priorities, including the focus placed on education, social work, transportation and affordable housing as key corporate priority areas.

Exhibit 1
Argyll and Bute Council Best Value Improvement and Development Plan

Theme	Anticipated impact
1. Developing the aspiration of leading rural area	A clearer focus and set of priorities
2. Identifying a limited number of corporate priorities in the corporate plan	Clear links between the corporate and other plans Resources aligned to the achievement of these
3. Citizen engagement through consultation and communication	Better and more responsive services for citizens and customers who will be informed and consulted
4. Organisational development for strategic and managerial roles for current and future workforce	Development of a continuously learning organisation
5. Performance management – developing the Best Value strategy and performance framework	A performance framework to measure progress

Source: *Best Value Improvement and Development Plan*, Argyll and Bute Council, May 2006

7. In May 2006, the council produced a *Best Value Improvement and Development Plan* outlining its response to the issues identified in the original Best Value audit report and the Accounts Commission findings, published in February 2006. The plan was structured under five themes, and the council identified the planned outcomes from its implementation ([Exhibit 1](#)).

8. In August 2007, the council's external auditors reported that the council had completed most of the actions contained in the Best Value Improvement and Development Plan. In particular, the external auditors noted significant progress in revising the council's corporate and strategic management arrangements. However, the report also notes that the development of corporate and strategic plans had not been embedded into operational service

delivery and that much work was required to create a culture of improvement across the council. The report suggested that the council may not have the corporate management capacity, skills and expertise to effectively achieve the major organisational changes required to fully meet Best Value expectations.

9. However, while the council has completed most of the actions set out in its Best Value Implementation and Development Plan, there has not yet been measurable improvement in key aspects of Best Value. Progress in implementing systems for achieving Best Value, including arrangements for citizen engagement, performance management and strategic resource management, has been disappointing, although the pace of change has been improving since May 2007.

10. Improvements have been made to the council's strategic planning framework, and there are clearer links between the community, corporate and service plans. The 2008-11 planning and budgeting process was better aligned, and there was evidence of some of the budget being reallocated to support council priorities. The council adopted a more medium-term financial planning process, with clearer links to the efficiencies plan. The council has made progress with other corporate strategies, but more needs to be done to implement these. The Best Value Strategy, approved in May 2007, has not been systematically implemented and has not had a measurable impact on the council's ability to achieve continuous improvement.

Capacity

Improvements have been made to political and managerial arrangements to support continuous improvement. However, more needs to be done to translate these changes into improved service delivery and key Best Value processes are not yet embedded into everyday management activity.

The council has recognised the need to increase capacity at senior management level and, particularly since May 2007, has been developing plans to achieve this. However, these plans remain at an early stage of implementation, and it is too early to assess whether the capacity exists to increase the pace of change and to sustain improvement in the longer term.

11. The council acknowledges the need to change its organisational culture to become more customer, performance and outcome focused. Elected members and the SMT have gained a greater understanding of the requirements of Best Value and are demonstrating a clearer commitment to continuous improvement. However, the pace of implementing basic Best Value processes

Exhibit 2
Changing our culture

How we were		How we want to be
Well managed	→	Well led
Hierarchical	→	Empowered and flexible
Profession centred	→	Customer focused
Consulting clients	→	Involving clients
Performance – add-on	→	Performance integrated
Operational Focus	→	Strategic focus
Department loyalty	→	Corporate commitment
Reactive	→	Proactive
Challenged	→	Challenging

Source: Argyll and Bute Council Corporate Plan, September 2007

throughout the organisation needs to increase and the scale of the culture change required remains a significant challenge for the council. The council's own assessment of the changes required and the direction of travel is shown at [Exhibit 2](#).

12. There are signs in some areas that the culture is beginning to change. However, the council lacks clarity about how, and by when, it will achieve the aspirations it has set out to achieve. For example, less than half of the council's employees have received a performance development review (PDR) in the last year, representing a missed opportunity to drive the desired cultural change. The SMT is now addressing this issue more proactively, through improved monitoring.

13. Since the elections in May 2007, political leadership has improved. The council now has a good blend of new and experienced elected members and all members received comprehensive induction. They each have a personal development plan based on the Scottish Local Authority Remuneration Committee (SLARC) competency framework and receive training on an ongoing basis.

14. The council has made good use of external consultants to improve the strategic focus and capacity of SMT. For example, it has engaged external support in undertaking a review of its corporate planning arrangements and in Best Value reviews of key service areas. An external review of the council's strategic finance function identified action to improve strategic resource management and financial performance management, including the development of unit costs. The council has approved the report and its recommendations are now being implemented.

15. The council has appointed external, non-executive members as chair and vice chair of its Audit Committee. This innovative approach has significantly increased the capacity for scrutiny and challenge of performance and governance issues.

16. The council established a Business Change and Improvement Team (BCIT) in August 2008 to create additional capacity at the corporate centre. The BCIT will initially act as a focal point for taking forward the results of the Shared Services Diagnostic project, which sets out the council's plans for simplifying and

standardising existing systems and processes, and for sharing services with a range of other public sector bodies. The resulting 'Programme for Change' has identified seven 'opportunity themes' and has the potential to accelerate change and support the desired culture change across the organisation.

Strategic leadership

Elected members and the SMT are more engaged with the improvement agenda and working relationships between members and officers have improved. Political management arrangements have been revised to streamline decision-making and improve scrutiny.

However, the council still needs to clarify its vision and corporate priorities and define what these mean in relation to improved services for local people. While the SMT is working more corporately, it needs to focus on delivering strategies and driving continuous improvement more effectively.

17. Following the elections in May 2007, there were significant changes to the political composition of the council. The council is now led by a coalition of independent and SNP councillors. The leader and depute leader are supported by spokespersons for each key 'theme' identified in the council's corporate plan, which allows for more visible political leadership of corporate priorities. Members feel well supported by training to enable them to carry out their strategic role.

18. The council's vision is to be a 'leading rural area' and this is supported by a set of strategic priorities. The council has renewed its community plan, corporate plan and service plans, which provide the basis for its SOA. It has made improvements in its corporate planning processes to ensure clearer links between the various plans. However, more needs to be done to clarify what the vision and corporate priorities are intended to achieve, particularly in terms of improved services for local people.

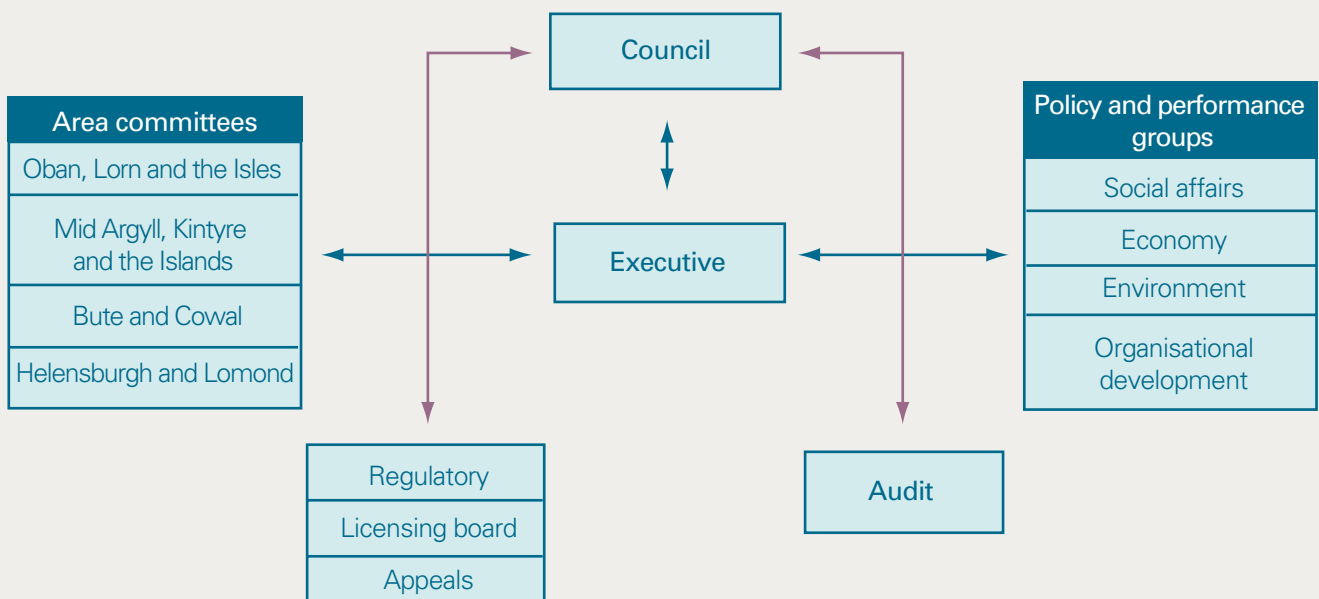
19. The council needs to develop a more customer-focused approach to planning services. The corporate planning framework has been set around inputs to achieve objectives, rather than intended impact and outcomes. It is unclear how the council intends to measure achievement of the goal to become a leading rural area. The SMT has been more focused on what is being done (ie, monitoring activity), than on what is being achieved (ie, monitoring impact).

20. In its findings in 2006, the Accounts Commission identified weaknesses in leadership and strategic direction. In response, the council has implemented new political management arrangements and SMT meetings have been re-focused to support a more strategic approach to council business.

21. The new arrangements (Exhibit 3) include, the creation of an Executive to streamline decision-making, and four Policy and Performance Groups (PPGs) to scrutinise policy and monitor progress in achieving corporate objectives. There are

Exhibit 3

Political management structure



Source: Argyll and Bute Council Corporate Plan, September 2007

indications that the council’s new political management arrangements are bedding in well and feedback from members confirms that working arrangements have improved since May 2007. There is greater transparency in decision-making processes and more constructive challenge at meetings. There has been a smooth transition to the new arrangements, including multi-member ward working.

22. The council has created six strategic boards of members and officers, which are intended to improve corporate working and the management of corporate objectives. The remits of strategic boards are at [Exhibit 4](#). The council views the boards as a key element in driving continuous improvement, but it is too soon to judge their impact.

23. Members are actively engaged with the improvement agenda through PPGs. The PPGs are intended to monitor service performance and the delivery of corporate priorities for the four thematic areas of the council’s corporate plan (environment, social change, economy, organisational development). This has the potential to drive forward improvement in service delivery. The work of the PPGs has only recently commenced, and it is too early to assess their effectiveness.

24. The 2006 Best Value audit report recognised area committees as a positive feature and identified scope for their role to be further developed. The council has made limited progress in developing their role. Lines of accountability and scrutiny arrangements remain insufficiently defined and they do not operate consistently across the four areas. Area committee agendas are still dominated by local planning decisions and this is a missed opportunity to respond more effectively to local needs.

25. The SMT is working better as a group and their meetings have been re-focused to support a more strategic approach to managing council

Exhibit 4

Remit of strategic boards

Board	Remit
Performance improvement	Performance management Best Value Efficient Government Reducing bureaucracy Single Outcome Agreement Outcomes
Customer First & public sector reform	Customer First Equalities Public sector reform
Asset management	Asset management and planning Surplus property review Investment Non-operational asset review Asset performance Capital planning
Human resources	Human resources strategy Absence management
Information technology	Information Technology IT strategy
Shared services & procurement	15 projects including: <ul style="list-style-type: none"> • Shared Services Diagnostic • Broadband Pathfinder • Scotland Excel

Source: Best Value Submission, Argyll and Bute Council, March 2008

business. The council has lacked a systematic approach to management and leadership development but is currently working with the National School for Government to develop a Senior Management Development Programme. Early indications are that the new chief executive is building on this and developing a more corporate approach to SMT business. Progress on key strategic priorities, particularly those intended to support Best Value, needs to be accelerated.

Continuous improvement

Over two years on from the publication of the original Best Value report, and five years after the statutory duty of Best Value came into effect, many of the council’s systems for achieving continuous improvement remain at the early stages of development. Corporate performance management remains ineffective, and the implementation of the revised performance management system has been delayed.

26. The council agreed a Best Value Strategy in May 2007 as part of its overall corporate planning framework. The Strategy sets out how the council will identify and prioritise areas for review, adopting a weighted scoring system covering the following areas:

- corporate importance
- service performance
- wider environmental impact
- customer impact
- audit and inspection results
- financial cost.

27. The council has not yet, however, set out a programme of Best Value reviews based on the weighted scoring system developed in the Best Value Strategy. The council agreed as part of the 2007/08 budget process that Best Value review activity would be driven through the Shared Services Diagnostic Project, and that future priorities would be determined through the subsequent design phase.

28. The Best Value reviews which the council has undertaken, covering social work services, HR operational services, planning services, regulatory services, strategic finance and the budgetary process, have incorporated external challenge and this has improved overall outcomes from the process.

29. The council is in the process of implementing a new performance management system (Pyramid), which is being rolled out to all council departments as part of a planned approach. The council has adopted a 'bottom-up' approach to the implementation, with each service area identifying appropriate performance measures. However, the council has not yet identified the key performance information needed to monitor and report achievement against corporate

and service plan objectives. There is a risk that the information contained within Pyramid may be irrelevant, inaccurate, out of date or duplicated. The council made available additional resources in September 2007 to support the roll out of the performance management system.

30. The council approved a new corporate (PPMF) in October 2008, which should provide a more strategic and coherent framework for monitoring improvement.

31. The council still does not have good arrangements for benchmarking the performance of the majority of its services. This is a significant weakness and the council should prioritise action to address this. This is an increasingly important issue as the council seeks to work with partners to implement and develop its SOA.

32. The council recognises the need to become more outward focused in identifying and learning from good practice in other organisations and can point to some good examples at local level. The council does not, however, have a systematic approach to learning embedded in its management culture, and arrangements for identifying and cascading good practice across the organisation remain weak.

33. The council has not made sufficient progress across a range of other important corporate processes. While progress has been made in some areas, overall, the impact of the council's improvement activity since the 2006 Best Value report has been limited. [Appendix 1](#) summarises progress in key areas.

Achieving Best Value – service performance

Overall, Argyll and Bute Council's SPIs for 2007/08 suggest that the rate of improvement has improved since the original Best Value audit. The council has received a positive follow-up report following an inspection of education services. An inspection of social work services, published in October 2007, identified a need for significant improvements. A follow-up report from the Social Work Inspection Agency (SWIA) in August 2008, noted that the council was making progress in addressing the 24 recommendations for improvement.

34. This progress report reviews service performance as measured by SPIs. We have used the most up-to-date figures available for Argyll and Bute, but national comparison figures for the 2007/08 SPIs will not be available until December 2008. We have also reflected the key inspection reports to have been published since the original Best Value audit report in February 2006.

35. Between 2005/06 and 2007/08, the council's performance improved by five per cent or more on 24 measures and worsened by five per cent or more on 16 measures. This gives a ratio of improvement to decline of 1.5 ([Exhibit 5](#)) This compares to a ratio of improvement to decline of 0.77 at the time of our original audit in 2005. We are not yet in a position to compare this against the national average for the latest SPIs. However, between 2004/05 and 2006/07 the national average for the ratio of improvement to decline was 1.4.

36. Indicators improving by at least 15 per cent provide evidence of particular improvement in services for older people receiving both care at home and in residential settings. Waste recycling rates have improved, while the number of complaints about refuse services has decreased. However, the costs of refuse

Exhibit 5

SPIs 2007/08

	Measures that worsened by...			Measures that improved by...		
	>15%	10-14%	5-9%	5-9%	10-14%	>15%
Argyll & Bute	10	5	1	3	2	19

Source: Audit Scotland 2008

collection and disposal continue to increase significantly. The rural nature of the council is likely to be a major factor in this.

37. SWIA reported on the authority in October 2007 and found some examples of good services delivered by social work services and partner agencies. The inspection also noted that attitudes of staff and the motivation for improving services were positive.

38. SWIA uses a six-point scale ranging from excellent (level 6) to unsatisfactory (level 1). Out of ten evaluation areas assessed by the inspectors only one, capacity for improvement, was rated as 'good' (level 4). Six of the evaluation categories were rated as 'adequate' (level 3) and three were rated 'weak' (level 2), including leadership and direction.

39. The report identified 24 recommendations for improvement, and it is significant to note that the weaknesses identified by SWIA have implications across the council's services and many relate to key requirements of Best Value.

40. The council prepared an action plan to address the key recommendations for improvement made in the 2007 inspection report and SWIA undertook an interim follow-up report in August 2008. The interim follow-up

concluded that the council was able to demonstrate progress against all 24 recommendations and that progress had been made in putting in place the key building blocks for improvement. The report also identified a commitment among managers and elected members to implement the changes and support staff to achieve improvement.

41. In June 2007, Her Majesty's Inspectorate of Education (HMIE) published a follow-up report to its 2005 inspection of the education authority. The original inspection identified four main areas for improvement, and the follow-up report states that the authority had made, 'notable progress'. HMIE reported that, *"the authority had taken very effective action to implement the recommendations and showed clear capacity for improvement. It had made very good progress on three action points and good progress on the remaining one."*

42. There is a clear opportunity for the council to build on this positive report and share the lessons learned for the improvement in education more widely in the council.

Appendix 1.

Summary of progress in developing key corporate processes

Improvement area	Improvement progress
<p>Financial management – develop arrangements to align financial and performance management through targeting resources more closely to corporate priorities, and reporting performance in improving efficiency.</p>	<p>The council's finance function has good processes for ensuring the stewardship of resources, financial control and financial reporting. In line with other councils, the council is facing financial pressures and has plans in place to further develop its financial management systems to:</p> <ul style="list-style-type: none"> • better align the budget to corporate priorities (some progress has already been made in this area and the council approved a re-allocation of £1.4 million of funding to key priorities in its 2008-11 budget) • further develop the linkage between financial and performance management, including use of benchmarking and unit costs • build efficiency savings into budget management, monitoring and reporting arrangements. <p>The council commissioned consultants to review the strategic finance function in April 2008. The review confirmed the need to create more capacity within the finance function to meet financial performance management requirements and the council has prepared an action plan in response which should achieve this aim.</p>
<p>Risk management – develop arrangements for embedding risk management in the decision-making process, in monitoring and reporting achievement of corporate plan objectives, and as a means of targeting resources to areas of highest priority.</p>	<p>The council has improved risk management arrangements since the original audit, but continues to be focused on operational and business continuity risks. The council has not developed risk management as a strategic or operational tool for managing risks relating to the achievement of corporate objectives. Strategic risk management is a core element of the new PPMF, approved in October 2008, and the council has engaged external support to develop its approach in this area.</p>
<p>People management – improve arrangements for identifying and developing the skills and resources needed to achieve corporate objectives.</p>	<p>Less than half of the council's employees have received a performance appraisal in the last year, and this has undermined the ability of the council to achieve culture change and effectively address the performance challenges it currently faces. The SMT is now addressing this issue more proactively, through improved monitoring. The service review of HR was designed to bring a clearer focus on organisation development, rather than operational personnel issues. It is too early to assess the impact of this and the council still needs to assess more systematically the skills and competencies required to achieve its corporate plan and strategic HR objectives. The creation of the strategic board for HR should increase focus on people management issues, which historically have not been given sufficient priority by SMT.</p>

Improvement area	Improvement progress
<p>Consultation and citizen engagement – develop arrangements to understand the needs of citizens and service users and design services to meet those needs.</p>	<p>The council has developed a customer contact strategy and has a range of mechanisms in place for consulting with service users. It has a network of customer service centres providing a ‘one-stop shop’ for a range of services. The council does not, however, have a coordinated and systematic approach to identifying citizen and service user needs, and there is little evidence that feedback from service users is actively used to develop services.</p>
<p>Communications – improve internal and external communication arrangements to raise the profile of the council in the community, to inform and educate and to drive through culture change.</p>	<p>The council has a small corporate communications team that covers internal and external communications. The council’s communication strategy has not been updated for some time, and communication within the council is not coordinated between the corporate centre and individual council departments. This can lead to an inconsistent approach to communicating key corporate initiatives. Since the Best Value audit in February 2006, the council has implemented a series of briefing sessions with heads of service and third tier managers, designed to provide greater clarity and consistency of key corporate messages.</p>
<p>Public Performance Reporting (PPR) – providing clear, balanced information to the public about council performance.</p>	<p>The council adopted a new PPR strategy in June 2008. However, the council has not made sufficient progress in improving its approach to public performance reporting. It is only in the early stages of addressing identified weaknesses in the development of performance measures, which focus on the information needs of citizens and service users and provide measures of service outcomes, outputs, efficiency and impact.</p>

Argyll and Bute Council

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ISBN 978 1 906752 24 8

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