Making progress with Best Value

A national overview of the Performance Management and Planning (PMP) Audit 1999/2000

Contents

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 five main responsibilities:

- securing the external audit
- following up issues of concern identified through the audit, to ensure satisfactory resolutions
- reviewing the management arrangements which audited bodies have in place to achieve value for money
- carrying out national value for money 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 which they are required to publish.

The Commission secures the audit of 32 councils and 34 joint boards (including police and fire services). Local authorities spend over £9 billion of public funds a year.

Audit Scotland

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 Accounts Commission and the Auditor General for Scotland. Together they ensure that the Scottish Executive and public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.

Audit Scotland prepares reports for local government on behalf of the Accounts Commission.

1 Introduction

Sound performance management and planning lies at the very heart of the Government's drive for Best Value in councils. It is not an end in itself, but underpins councils' work to improve services and strengthen accountability. It allows each council to focus its activity more effectively on the priorities of the citizens and communities it serves and enables the council to make best use of its resources in addressing these priorities.

To reflect the importance of sound performance management and planning arrangements, Best Value in Scotland requires every council to develop an effective performance management and planning (PMP) framework. Each council's PMP framework must enable the council to answer the following key questions:

Q1   *How do we know we are doing the right things?*
Q2   *How do we know we are doing things right?*
Q3   *How do we plan to improve?*
Q4   *How do we account for our performance?*

The Accounts Commission and Audit Scotland have developed a detailed audit approach to assess and support each council's progress in developing arrangements for performance management and planning. The approach is based on assessing services' progress against ten interrelated criteria that together make up a sound approach.

The PMP audit approach was applied for the first time in all Scottish councils in 1999/2000. Each council selected three services to be audited. Auditors then examined their approaches to nine of the ten PMP criteria. Public performance reporting (criterion 10) was excluded in 1999/2000 because councils had only recently agreed their approaches with the Scottish Executive.

This overview report provides a snapshot of progress in the implementation of performance management and planning in the audited services. Councils had the freedom to select which of their services would be audited, and some services were known to be making more progress than others. The findings from the audit are therefore not necessarily a representative sample of all council services. However, they do give an *indication* of the progress being made. This picture will become clearer as the second PMP audit is completed next year.

The report summarises the audit approach, highlights the main findings from the 1999/2000 audit, and indicates a number of key messages for those with an interest in the operation of Scottish local government. Our main aim is to provide an element of assurance about progress in the development and implementation of sound performance management and planning arrangements. The report is also intended to form a basis for discussion between councils and the Scottish Executive about how the management of Scottish councils can be further improved.

There are several intended audiences. First, the Accounts Commission, the Scottish Executive, Members of the Scottish Parliament and elected members will be interested in councils' progress in implementing performance management and planning arrangements in response to Best Value. This will also be of interest to the public, and to councils' partner organisations in the public, private and voluntary sectors.

Second, the report aims to help each council to assess the progress of its services against the overall picture across Scotland. The report indicates the range of progress being made in the development of performance management and planning arrangements, and names those services that were found to be making most progress. This information provides local government with a basis for discussing and sharing solutions to commonly encountered difficulties, and will be of interest to COSLA and the numerous professional bodies and networks established to support the development of good practice in specific service areas.

Finally, there are a number of key messages for those involved in the audit and inspection of local government. These include Audit Scotland's auditors and Her Majesty's Inspectorates.

Transparency and accountability are key features of any audit. However, at this early stage in the development of Best Value, the Accounts Commission believes that challenging and supporting individual councils is more important than publicly identifying those services that are making slower progress in the implementation of performance management and planning arrangements. All audited services have committed themselves to specific improvements to strengthen their approach to performance management and planning. The Accounts Commission will name councils who fail to achieve these improvements in next year's progress report.

Best Value is still developing, and so are the scrutiny arrangements that support it. Future reports will be able to provide a more rounded picture of the performance of councils, combining information on the quality of management arrangements with information on performance and the improvements achieved year on year. The Accounts Commission and Audit Scotland are working with councils and the Scottish Executive to develop this information, which will be valuable to councils themselves in planning and managing their services, and to citizens, service users and other stakeholders in holding councils to account.

2 Key findings

- Most of the 96 audited services had made progress in developing and implementing performance management and planning arrangements. About two-thirds of services had achieved overall 'progress scores' of between 50% and 75% in developing the key management features of a best value service. Around one in six services had made greater progress. These included:

Dundee City Council	Social Work
	Libraries & Community Information
City of Edinburgh Council	Housing
	Leisure Development
Moray Council	Economic Development & Planning
North Lanarkshire Council	Housing & Property Services
	Catering Services
Perth & Kinross Council	Leisure & Cultural Services
Renfrewshire Council	Housing Management
	Community Care
	Finance (Accounting & Budgeting)
Scottish Borders Council	Leisure & Recreation
South Lanarkshire Council	Housing Services
	Social Work Services to Older People
Clackmannanshire Council	Chief Executive's Services
Falkirk Council	Corporate Services
Inverclyde Council	Legal Services

- Around a sixth of services had made only limited progress and still have considerable work to do to develop their performance management and planning arrangements.

- There are variations between *and* within councils in the quality of performance management and planning arrangements. No audited service has all of the key management features; most services had both strengths and weaknesses.

- Some service groups are stronger than others at particular aspects of performance management and planning. Housing services were typically strong at addressing most of the key management features. Environmental & Consumer Protection were typically making least progress. These findings point to opportunities for learning and sharing good practice within and between different service areas.

- Certain aspects of performance management and planning seem to be more difficult to address than others. These include:
  - the identification of different options for service delivery and the evaluation of the current service against these
  - the linking of budgets and other resources to key service priorities
  - the reporting of a full and accurate picture of service performance to decision-makers.

- Best Value requires services to apply the '4Cs' – challenge, compare, consult and compete – through a cyclical programme of best value reviews. Many services are not applying these '4Cs' with sufficient rigour to meet the requirements of Best Value.

- Many services are addressing key management problems only as part of their best value reviews. These services are failing to take steps now to ensure that sound performance management and planning arrangements are being developed. Instead, action is being postponed until a best value review is undertaken, possibly some years away.

Findings by criterion

The PMP audit assessed services' progress against nine criteria designed to reflect the key elements of performance management and planning. The criteria and findings are outlined below. Each service is committed to a number of improvement actions to address their own particular weaknesses.

1. We understand the needs, expectations and priorities of all our stakeholders

Most services had made considerable efforts to ensure appropriate consultation with their key stakeholders. Auditors found that:
- all services had approaches to consultation in place, although the sophistication of these varied between services
- over 80% of services had clearly identified their key stakeholders
- around 90% of consultation exercises reached their intended audience.

But…
- a third of services were not clear on exactly what they were trying to find out from their consultation exercises
- two-thirds had no criteria for assessing whether the exercise had been effective or whether it offered value for money
- 40% of services did not co-ordinate their consultation work with other parts of the council
- a third of completed consultation exercises produced no clear recommendations for service improvement.

2. We have decided on the best ways to meet these needs, expectations and priorities

Most services had set out a broad approach to evaluate alternative service delivery options. More than 80% of services had prioritised areas where an option appraisal would be undertaken.

However, most services are making slow progress in rigorously applying these option appraisal approaches. Auditors found that:
- many option appraisal exercises had not considered a full range of options; just over half had identified the range of options that auditors might have expected to see
- around 50% had no agreed criteria for choosing between alternative options
- around 40% had little rationale for omitting particular options from the appraisal they had undertaken
- nearly two-thirds had not informed elected members of the strengths and weaknesses of the various options.

3. We have detailed plans for achieving our goals

Service plans are in place in virtually all services. However, the quality and usefulness of these vary considerably. Auditors found that:

- more than 90% of audited services had plans in place
- around 85% of services had established plans that linked (with a varying degree of formality) to the activity of their key partners.

But…

- fewer than half had clearly identified the resources (such as budgets, staff and assets) they needed to progress key actions.

4. Our plans are clearly based on the resources we have available

Very few services have a rigorous approach to properly costing their plans and setting out the required resource implications of planned objectives. Auditors found that:

- only around 50% of services had identified the resources they were likely to have available over the next three years
- two-thirds had not costed their service plans (ie, made substantial progress on integrating their planning and budgeting processes)
- only one in twenty services had developed approaches to integrating multi-year planning and revenue budgeting.

5. We make best use of our available resources

Most audited services had information systems that allowed them to assess their resource use. Auditors found that:

- 70% had information on how they were performing in managing their resources
- around half had undertaken comparisons of how their resource management performance compared to others.

6. We make best use of our people

Most services were doing well in people management. Auditors found that:

- 95% of services held accurate and up-to-date information on staff numbers, turnover, absence levels and overtime
- 70% of services had identified the key measures needed to assess staff performance
- the use of staff development and appraisal processes and training plans was widespread
- two-thirds of services could point to improvements in people performance.

7. We monitor and control our overall performance

Performance monitoring and reporting is variable in services. Monitoring is typically more robust than reporting. There are some services where considerable improvement is required. Auditors found that:

- three-quarters of services had identified key performance measures linked to their goals and objectives.

But…

- fewer than half reported their performance to their key stakeholders on a regular basis
- just over half of the reports to decision-makers allowed the reader to assess whether performance was being adequately controlled
- fewer than half of the reports clearly identified any slippage in performance.

8. We have sound financial control and reporting

Financial control systems are well-established in most services. However, many services did not subsequently report information to decision-makers in a form that allowed them to understand easily the key messages about financial performance. Auditors found that:

- around 90% regularly reported up-to-date information on their financial performance to decision-makers and budget-holders.

But…

- in only about two-thirds of instances did the reports easily allow the reader to make a judgement about financial performance
- in 30% of cases it was difficult to decide from the reports whether financial performance was being adequately controlled
- around half failed to set out corrective actions to control any slippage.

9. We actively support continuous improvement

Many services are committed to continuous improvement and can point to improvements in service delivery as a result. However, most services need to refine their approaches to benchmarking, to ensure comparison of processes as well as data. A number of services also need to apply the '4Cs' more rigorously in their best value reviews. Auditors found that:

- over 80% of services had clearly determined the key steps they needed to take to support continuous improvement and made progress in implementing them
- around 70% collected and used customer feedback to improve performance
- two-thirds had agreed approaches to benchmarking (a similar number had prioritised the key performance areas they intended to benchmark).

However, where benchmarking exercises had been undertaken:

- fewer than half had involved benchmarking of processes as well as data
- fewer than half had looked outside local government for their benchmarking partners
- fewer than half had resulted in recommendations for service improvements as a result of the completed work.

Where best value reviews had been undertaken, 90% set out a clear process to be followed at the outset, although over a quarter subsequently failed to follow this approach:

- only around half of the reviews looked at whether the service should continue
- a similar number looked at the level of the service and the way in which it should be provided in the future
- two-thirds incorporated some form of independent challenge of the findings (usually from officers outwith the service)
- fewer than half involved members in the process (although more than three-quarters clearly set out review findings in reports to members).

Additional key messages

- Chief executives should co-ordinate the development of their council's performance management and planning arrangements to ensure that the council's commitment to Best Value is being actively addressed across all services.

- Service managers should consider the key findings from the PMP audit and make use of the opportunities that exist to learn from the progress of others in implementing performance management and planning arrangements.

- Policy and central support service staff in each council have a role to play in co-ordinating the identification and sharing of good practice between services.

- Professional associations, COSLA, Audit Scotland and academics have key roles to play in supporting learning and development.

- The audit findings should inform the priorities and work programmes of networking and benchmarking groups established to support the development and implementation of Best Value.

The future

The Scottish Executive has consulted on the next steps in the development of Best Value in Scotland[1]. Key issues for consultation included the need for a specific duty on councils to continuously improve, the arrangements for scrutiny of Best Value and council performance, suitable powers of intervention in poorly performing councils, the role of competition and the need for savings targets for Best Value activity. The findings from the PMP audit should help to inform the discussions regarding the future of Best Value.

The PMP audit is continuing. A further three service areas will be audited in each council in 2000/2001. The service-level audit has developed to encompass all of the attributes of a Best Value council outlined by the Best Value Task Force.

For those services covered by the first PMP audit, auditors will review what progress has been made in implementing agreed improvement actions. These actions are designed to address the main weaknesses identified in the performance management and planning arrangements of each service. Audit Scotland will report on this next year.

A corporate level PMP audit has also been added. This will be undertaken in every council in 2000/2001. It will focus on council-wide arrangements for supporting, implementing and reviewing services' arrangements for performance management and planning. The audit will assess what service improvements have been achieved as a result of best value reviews, and these findings will be included in next year's progress report.

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[1] Scottish Executive, *'Best Value in local government: next steps'*, June 2000.

Structure of the report

Section 2 of this overview report briefly introduces the background to Best Value and the PMP audit.

Section 3 gives a short description of the PMP audit approach. It details the nine criteria that provided the focus for the first PMP audit. It also summarises the services selected for PMP audit in 1999/2000.

Section 4 looks in detail at the audit findings. It considers each of the nine audit criteria in turn, introducing:
- why the criterion is important and what a sound approach might look like
- what the audit focused on and what it found
- the services found to be making most progress
- a case study of innovative practice[2].

Section 4 also highlights key variations in the progress being made by different groupings of like-services (eg, housing, social work, central support services). Finally, it looks across the specific findings to draw a number of general conclusions.

Section 5 details the key messages arising from the PMP audit. These are grouped under the three headings of *progress to date*, *learning opportunities* and *the effectiveness of the PMP audit* as a means of scrutinising performance management and planning arrangements.

Section 6 specifies how the lessons learned from the first audit have been used to develop the PMP audit approach.

Section 7 outlines the overall conclusions from the first PMP audit.

There are three annexes:
- Annex 1 lists the services audited in each council in the first PMP audit
- Annex 2 details the sub-prompts used by auditors to form specific judgements on services' progress against each PMP criterion
- Annex 3 details the variations in progress by groupings of like-services under each of the nine PMP audit criteria.

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[2] No detailed evaluation has been undertaken of the innovative approaches highlighted in the report. The text used has been prepared by the services themselves. The examples are intended to be useful starting points for councils looking to develop their current arrangements.

3 Background

The UK Government's policy of Best Value has been progressing in Scottish councils since 1997. The approach in Scotland is distinct from that in other parts of the UK, but the underlying principles are very similar. Put simply, Best Value aims to deliver improvements in council services and public accountability through refinements in internal management.

Councils' progress in implementing Best Value was initially appraised by the Scottish Executive and the Accounts Commission in late 1998. The appraisal found that councils varied in the progress made in implementing their initial commitments to Best Value. Second, not all councils were starting their development of Best Value from the same base level. Finally, some of the requirements of Best Value were proving to be more of a problem than others.

The Best Value Task Force[3] set out the attributes of a best value council in its final report in December 1999:
- commitment to Best Value and acceptance of four key principles (accountability, ownership, continuous improvement, transparency)
- political and senior management leadership
- an effective performance management and planning (PMP) framework including:
  - effective systems and procedures for sound strategic, operational and financial management
  - effective systems for consulting customers/citizens
  - effective systems to involve staff and unions
  - a programme of service reviews that ensures all activities are subject to the '4Cs' (challenge, compare, consult and compete) and that stimulates remedial action where poor performance is identified
  - a focus on performance monitoring and measurement
- public performance reporting
- a commitment to equality issues.

The Task Force stated that they expected all councils to have made substantial progress in implementing their PMP framework by April 2000. The Accounts Commission was given responsibility for auditing councils' progress in implementing the PMP framework (against a backdrop of the broader expectations of Best Value[4]).

The requirement for councils to have sound management arrangements in place is not new. Each authority has had a statutory duty[5] since 1994 *"to make proper (management) arrangements for securing economy, efficiency and effectiveness in their use of resources"[6].*

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[3] Comprising representatives from the Scottish Executive, COSLA and the Accounts Commission/Audit Scotland.
[4] The PMP audit from 2000/2001 has been developed to encompass all of the attributes outlined (above) in the final Task Force report.
[5] The Scottish Executive has consulted on a possible amendment to this duty with a view to including the term 'continuous improvement'.
[6] Local Government (Scotland) Act 1973 S122A as inserted by S170 of Local Government, etc (Scotland) Act 1994.

4 PMP audit

The PMP audit focuses on the management approaches, systems and processes in place in each service. These are not ends in themselves, but are essential elements in supporting service improvement, informed decision-making and accountability. The audit was designed with this in mind.

Following consultation with councils, the audit focused on ten criteria clustered around the four PMP questions[7]. These were intended to focus both councils' and auditors' attention on what was expected in the development and subsequent audit of performance management and planning arrangements. The criteria are listed in Exhibit 1. They are not ranked in order of importance. Rather, they build on each other to form the constituent elements of sound performance management and planning.

Exhibit 1: A summary of the PMP criteria

Q1 How do we know we're doing the right things?
1. We understand the needs, expectations and priorities of all our stakeholders.
2. We have decided on the best ways to meet these needs, expectations and priorities.
3. We have detailed plans for achieving our goals.
4. Our plans are clearly based on the resources we have available.

Q2 How do we know we're doing things right?
5. We make best use of our available resources.
6. We make best use of our people.
7. We monitor and control our overall performance.
8. We have sound financial control and reporting.

Q3 How do we plan to improve?
9. We actively support continuous improvement.

Q4 How do we account for our performance?
10. We provide our stakeholders with the information they need about our services and performance and listen to their feedback.

Criterion 10 was excluded from the first PMP audit as councils had only recently agreed their approaches to public performance reporting with the Scottish Executive.

Under each criterion, the audit set out the *key features* that a best value service would have in place. These provide services with a framework to assess and improve their approaches to developing sound arrangements for each of the criteria. The wording draws heavily on good practice and the detail of recognised 'quality' models (such as the EFQM Excellence Model, Investors in People and ISO9000).

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[7] See the introduction to this report.

Staff from Audit Scotland headquarters designed detailed guidance to help auditors and councils complete the PMP audit.

It was not envisaged that every service in every council would necessarily have fully addressed all of the key features. However, two years after the launch of Best Value in Scotland, it was expected that considerable progress would have been made and that councils would have plans in place to make further necessary improvements.

The audit examined three aspects of councils' approaches under each criterion:

1. **To what extent are reliable systems and processes in place to support the council's approach?** For example, under criterion 1, what techniques or methods does each service use to gain an understanding of the priorities of stakeholders?

2. **What improvements in service delivery or management can the service point to as a result of its chosen approach?** For example, has the service refined its policy or service delivery based on consultation feedback?

3. **What actions, if any, do service managers plan to take to further improve the approach based on the lessons learnt?** For example, the service intends to co-ordinate its consultation work to improve its effectiveness and minimise 'consultation fatigue' among customers.

How the first PMP audit worked
The PMP audit has three main objectives:
- to provide independent, external assurance that services are making progress in implementing performance management and planning arrangements
- to help identify good practice and areas of concern
- to ensure that each service is planning for improvement.

Three service areas were audited in every Scottish council in 1999/2000[8]. Service managers submitted an initial assessment of their progress against the key features outlined under each criterion. They also supplied a list of proposed improvement actions aimed at developing and refining their current approaches. Auditors used the submission and action list as the basis for dialogue with service managers. They also undertook sample evidence checking.

On the basis of the information supplied, auditors completed audit templates that provided the detail for their final reports. These final audit reports were agreed with service managers and the Chief Executive. They were also submitted to Audit Scotland to allow a national overview to be prepared.

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[8]   The service level focus reflected the fact that there had been intensive scrutiny of corporate approaches to Best Value in 1997 and 1998. The Accounts Commission was keen to establish the extent to which these approaches (designed at the centre of councils) had been implemented within services.

Design of the PMP Audit guidance

Selection of services to be audited

Service makes submission

Auditor checks evidence

Report and improvement actions agreed

Audit of improvement action progress
in 2000/2001
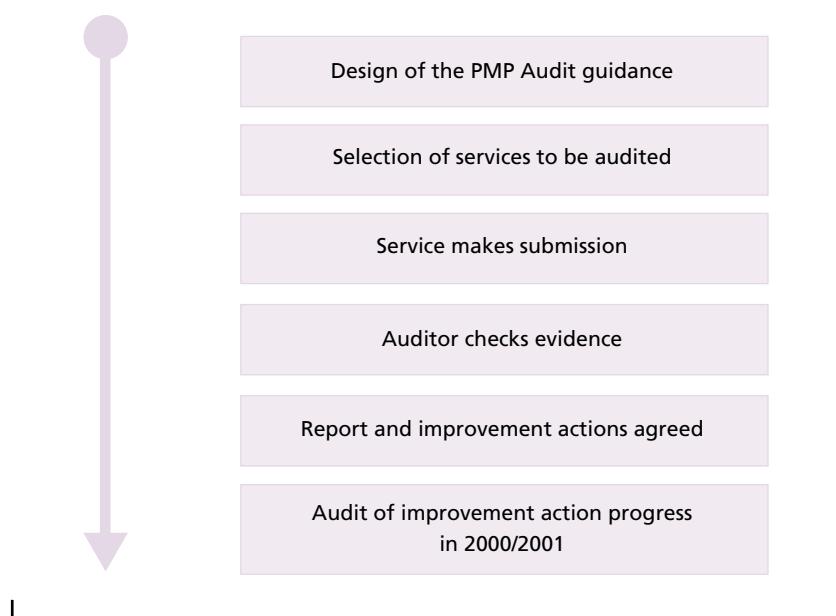
Service-by-service coverage

Each council had discretion to agree with their external auditor which services they wished to see audited. This resulted in a broad coverage of service areas, including:

- 19 Technical & former CCT services
- 15 Social Work
- 11 Housing
- 9 Environmental/Consumer Protection
- 7 Leisure & Libraries
- 7 Planning & Economic Development
- 21 Central Support Services[9]
- 7 'others' (including Education, Piers & Harbours, Inter-Island Ferries and an economic regeneration partnership project).

Education was largely excluded from the PMP audit in 1999/2000 until the details of the Education (Scotland) Bill became clear. An integrated audit/ inspection of Education functions is being piloted from autumn 2000.

There were variations in the scale and complexity of services selected by each council in the first PMP audit. The variations on the services being proposed by councils for audit will be reduced as far as possible in future years through closer liaison between auditors and Audit Scotland headquarters.

A full list of audited services is attached as Annex 1. Details are also given of the 'service group' each has been allocated to for the inter-service analysis described later in the report.

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[9] Central support services were selected as an acknowledgement of their critical contribution to delivering effective front-line services.

5 Audit findings

This section details the focus of the audit, the main findings and the conclusions drawn under each of the nine PMP criteria. It concludes by highlighting a number of inter- and intra-service disparities in progress in implementing performance management and planning arrangements.

The findings provide a snapshot of progress in the implementation of performance management and planning arrangements in the audited services. Councils decided which three of their services would be audited. The findings are, therefore, not necessarily a representative sample of all council services. However, they do give an *indication* of the progress being made. This picture will become clearer as further PMP audits are completed.

The report does not name the individual councils or services making least progress. The discretion offered to councils in service selection means that a wide range of services was audited, with a good deal of variability in their scale and complexity. More importantly, the services were at different stages in the development and implementation of performance management and planning approaches. It is, therefore, not possible to conclude that either weak or strong services are representative of the council as a whole.

Transparency and accountability are key features of any audit, but at this stage in the development of Best Value the Accounts Commission believes that challenging and supporting individual councils is more important than publicly identifying those services that are making least progress. The PMP audit requires an honest assessment by the service of its current position and a commitment to further improvements. The Commission believes that this is more likely to be achieved if services are given the chance to make these improvements prior to any publicity.

The report does identify the services found to be making most progress against each of the nine PMP criteria. This is intended to assist the sharing of information on sound approaches between councils.

Detailed findings from the audit of each council have been fed back to the Chief Executive and to senior managers in the audited services. In addition, each council will receive detailed feedback on how its services compare with others across Scotland.

All audited services have committed themselves to improvement actions to strengthen their approach to performance management and planning. The Accounts Commission will name councils who fail to achieve these improvements in follow-up audit reports.

Methodology used to analyse the audit findings

Quantitative analysis has been used to allow comparison between audited services. This is aimed at identifying consistent strengths and weaknesses. It has also been used to map the *range* of progress by services in developing their performance management and planning arrangements.

The audit required auditors to make judgements about the extent to which services were addressing the key features under each PMP criterion. Based on the judgements, services' progress was scored on a scale from 0 to 100% achievement in addressing the key features. The methodology and scores are listed in Annex 2.

There are a number of caveats to consider in interpreting the 'scores':

- minor variations exist in the relevance of some of the key features to each council service
- the importance of the key features was not 'weighted'; some services may have the key building blocks in place but score poorly on less essential elements
- the scoring was undertaken by staff at Audit Scotland headquarters based on the audit templates agreed between service managers and auditors. Auditors themselves did not score the submissions.

Although these factors may impact on the precise score for an individual service, they are unlikely to affect the overall picture of progress in implementing performance management and planning arrangements.

Overall findings

Exhibit 3 illustrates the overall progress of services in implementing a PMP framework. The horizontal axis shows the percentage score achieved by services. The vertical axis shows the number of services achieving a particular percentage score.

Exhibit 3: Progress in implementing a PMP framework

Mean = 60

X-axis: Percentage progress
Y-axis: Number of services
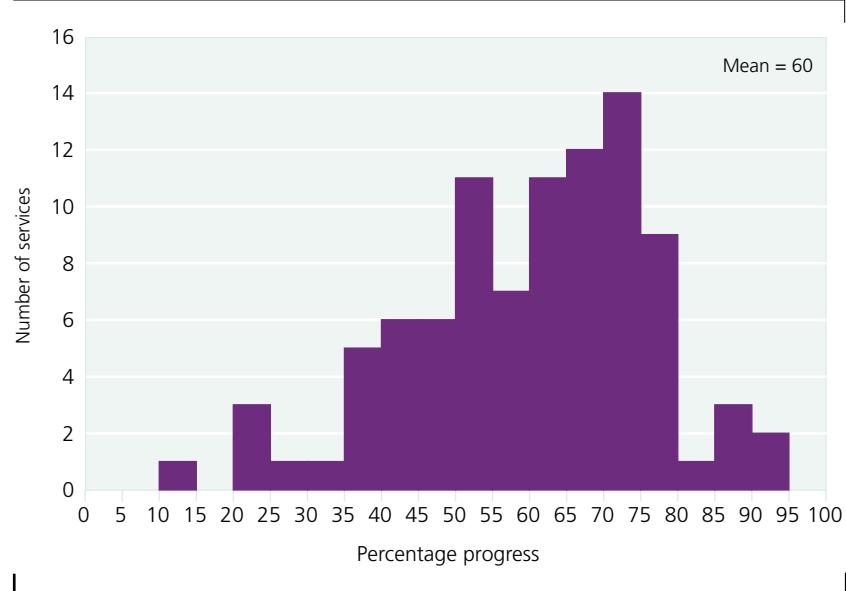
The audit found that about two-thirds of services had achieved overall scores of between 50% and 75% in developing the key features of a best value service (ie, the total scores for all nine criteria). Around one in six services had made greater progress. A further sixth had made only limited progress.

In terms of their overall approach to performance management and planning, the following services scored 75% or more in addressing the key features:

| Council	Service
Clackmannanshire Council	Chief Executive's Services
Dundee City Council	Social Work
Dundee City Council	Libraries & Community Information
City of Edinburgh Council	Housing
City of Edinburgh Council	Leisure Development
Falkirk Council	Corporate Services
Inverclyde Council	Legal Services
Moray Council	Economic Development & Planning
North Lanarkshire Council	Housing & Property Services
North Lanarkshire Council	Catering Services
Perth & Kinross Council	Leisure & Cultural Services
Scottish Borders Council	Leisure & Recreation
South Lanarkshire Council	Housing
South Lanarkshire Council	Social Work Services to Older People
Renfrewshire Council	Community Care
Renfrewshire Council	Finance (Accounting & Budgeting)
Renfrewshire Council	Housing Management

Analysis by criterion

While there has been progress in addressing many elements of the PMP framework since the introduction of Best Value in 1997[10], this has not been consistent across all criteria.

Exhibit 4 illustrates the *average* achievement of services in addressing the key features under each criterion. Under criterion 1, for example, audited services had, on average, addressed approximately 63% of the key features in the audit guidance. Under criterion 2, the average falls to around 48%. The *range* of achievement by audited services (ie, how well or poorly individual services are progressing) is discussed in the following pages under each individual criterion.

Exhibit 4 indicates that the elements where least progress has been made include:

- the identification of different options for service delivery and the evaluation of how the current service compares to these (criteria 2 and 9)
- the linking of budgets and other resources to key service priorities (criterion 4)
- the reporting of a full and accurate picture of service performance to decision-makers (criterion 7).

Exhibit 4: Average progress by criterion
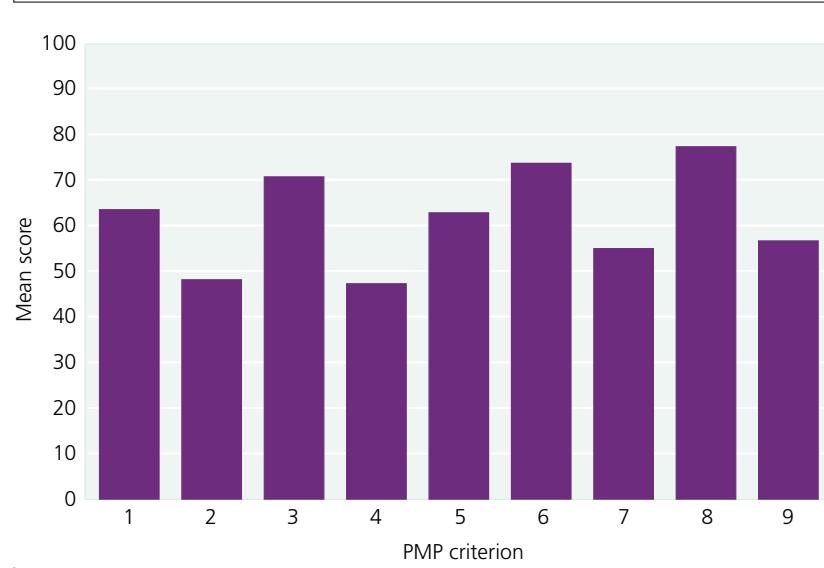
The following pages set out the findings for each of the PMP criteria in turn. The services making most progress are named (in alphabetical order) at the end of each criterion. The number of services named under each criterion varies. The services mentioned are those whose progress is noticeably strong compared to the others. This is intended to help managers draw on better practice from those services found to have strong arrangements in place.

A number of general findings are listed at the end of the section.

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[10] Based on assessing progress in system and process implementation in councils against a baseline position identified in the management arrangements audits of 1996/97 (Module 1 on Planning and Control) and 1997/98 (Module 2 on Managing People).

How do we know we are doing the right things?

1. We understand the needs, expectations and priorities of all our stakeholders

Criterion 1 focuses on the extent to which the service understands the needs, expectations and priorities of its stakeholders. It also looks at how the service assesses the implications of changes in these needs and expectations in the future. This is essential if services are to make informed decisions about how to make best use of the resources available to them in the short, medium and long term.

> **Key features of a best value service (from the audit guidance)**
>
> Best Value requires services to develop a customer-citizen focus. A best value service is responsive to the needs of its communities, citizens, customers and other stakeholders, and its plans and priorities are demonstrably based on such an understanding. It makes sure that it involves stakeholders in helping to identify policy and service priorities including service availability, the standards of service to be delivered, and improvements that are required. Approaches to such consultation may involve: community forums, citizens' juries, customer panels, surveys and other methods.
>
> The service has identified its key stakeholders for its main areas of activity. These may include: citizens, service users (internal and external), elected members, the business community, the voluntary and independent sectors, suppliers, Government, interest groups, staff, partner organisations, inspection and audit bodies.
>
> The service is clear about why it is consulting, it targets relevant stakeholders, and it employs cost-effective approaches to consultation. Stakeholders feel that they have genuine opportunities to make their voice heard and that the service listens to, and takes account of, their views. The service can show how it has used the results of this work in its service planning, delivery and improvement.
>
> A best value service also looks ahead to understand how stakeholder needs and expectations may change in the future. Changes might relate to the demography of the area, the social or cultural environment, the local economy, legislation, and local or national political priorities. There may be others. Such analysis ensures that the service actively plans to respond to those changing needs. The results and service implications of such analysis are fed back to all managers who are engaged in planning so that they ensure their plans take such factors into account.

In 1999/2000 the PMP audit looked predominantly at how services consult with their stakeholders. Auditors focused on assessing how the service had:
- identified its key stakeholders
- identified the priority issues on which it would consult
- established clear objectives for its consultation exercises
- evaluated the effectiveness of its consultation work
- used the results of its consultation to:
  - improve its service delivery
  - refine its approach to future consultation.

To achieve this, auditors looked at each service's overall approach to consultation. They also audited a completed consultation exercise to gauge the extent to which the approach had been put into practice.

There was encouraging progress by about two-thirds of services (Exhibit 5). Over a third of services had 75% or more of these features in place. Around one in ten were close to addressing the key features in full. However, 7% of services had fewer than a quarter of the key features in place.
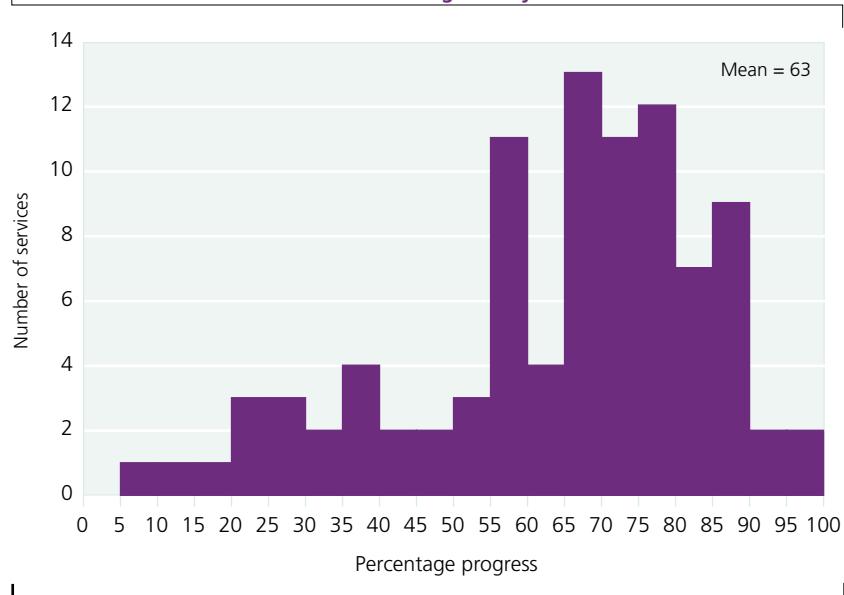
Auditors found that:

- all services had approaches to consultation in place; although the sophistication of these varied between services
- over 80% of services had clearly identified their key stakeholders
- more than 75% had devised approaches that allowed all of the key stakeholder groups to contribute
- services were satisfied that, in 90% of cases, consultation exercises had reached their intended audience
- over 40% of services had refined their consultation approaches based on initial experience.

However:

- a third of services were not clear on exactly what they were trying to find out from their consultation exercises
- two-thirds had no criteria for assessing whether the exercise had been cost-effective or offered value for money
- 40% of services did not co-ordinate their consultation work with other parts of the council[11]
- a third of completed consultation exercises produced no clear recommendations for service improvement.

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[11] Co-ordination is intended to maximise the value for money of the consultation work and help minimise 'consultation fatigue'. It will not always be appropriate to integrate consultation work (the focus of the work can be lost).

The services making most progress in addressing the key features were:

Council	Service
Clackmannanshire Council	Chief Executive's Services
Clackmannanshire Council	Criminal Justice
East Lothian Council	Housing
Falkirk Council	Corporate Services
Fife Council	IT
Moray Council	Economic Development & Planning
North Lanarkshire Council	Catering Services
North Lanarkshire Council	Housing & Property
Renfrewshire Council	Community Care
Renfrewshire Council	Finance (Accounting & Budgeting)
Renfrewshire Council	Housing Management
South Ayrshire Council	Housing
South Lanarkshire Council	Social Work Services to Older People

Innovative practice identified through the audit: Planning Effective Consultation, North Lanarkshire Council.

North Lanarkshire Council has an integrated approach to strategic planning, management and consultation. The Council's best value plan was built on processes already in place and is now integrated with:

- the community plan

- the corporate plan

- budget-linked service planning

- the performance management framework

- other corporate processes (eg, the quality register and comment/complaints procedure).

The Council regards consultation as an integral part of its business and draws on best practice advice from the Accounts Commission and COSLA. At both corporate and service level, the Council ensures that stakeholder views are an integral part of the Council's strategies, overall corporate management and service delivery. An integrated approach to corporate management and continuously improving guidelines for best value reviews ensures consultation is focused, relevant, cost-effective and adds value.

The Council's first major independent residents survey was undertaken to seek customers' views on council services. As a result, budgets were realigned to better reflect customers' priorities (eg, roads maintenance was given a higher priority than before).

Consultation is fundamental to best value reviews and consistency and quality are assured through the provision of annually revised corporate guidelines (eg, the danger of engendering 'public consultation fatigue' is recognised). In response, departments are encouraged to:

- analyse existing sources of consumer information and staff knowledge

- use snapshot surveys as the starting point for reviews

- design a review research methodology including:

  - clear objectives for consultation against which to assess results

  - ensuring the statistical validity of sampling techniques to be applied

- making choices from a wide variety of techniques for meaningful engagement with customers, non-users and key stakeholders

- cross-service pooling of survey proposals and analysis of results.

The best value review of the Council's catering service provides an example of the innovative use of consultation. A joint departmental approach was used to gain information and ideas from:

- a SERVQUAL[12] survey
- pupil focus groups
- head teacher area forums
- complaints feedback.

Alternative ways of meeting stakeholder needs and expectations were evaluated and options considered. Small teams were established to carry forward planned performance improvements to: food quality, price, speed of service, menu options and training. Customer-focused improvements have now been delivered as a result.

The local housing office's best value review provides a further example. The review team developed a consultation methodology and established clear criteria for assessing service effectiveness (including detailed consideration of the cost implications of service delivery options). Evaluation was designed to ensure the results fed into an improvement plan.

Consultation included:

- tenant group feedback
- staff conferences
- employee surveys
- analysis of the housing needs survey
- area forums
- analysis of the complaints system.

Contact for further information: Alex Gardiner (gardinera@northlan.gov.uk)

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[12] Further information on the use of SERVQUAL as a means of assessing expectations and perceptions is available in the Commission's publication *'Can't get no satisfaction?'*.

2. We have decided on the best ways to meet these needs, expectations and priorities

Decision-makers need to be aware of which option for service delivery offers the greatest benefits to the council and its stakeholders. It may be that a different option from the status quo will allow the council to provide an enhanced level or quality of service for a given cost. It may also free up resources for investment in other services. Options may include in-house provision, service reconfiguration, partnership working, outsourcing, externalisation or a mix of these.

Best Value requires managers to challenge the current approaches to service delivery. Criterion 2 looks at how managers identify and evaluate different options for service delivery.

Key features

Having understood stakeholder needs, expectations and priorities, a best value service chooses which of those needs will be met. It evaluates the best ways of meeting those needs.

The service rigorously evaluates which delivery option will ensure that stakeholders receive the highest quality of service possible within the resources available. Options may include: in-house provision, service reconfiguration, partnership working, outsourcing, externalisation or a mix of these. There is a structured and documented approach to evaluation. Where a developed market exists for an activity, full consideration is given to the use of market testing or open competition.

Decisions on options take into account both quality and cost factors. Political and managerial judgement may also be involved. The evaluation process makes clear what these criteria were and how they were applied in reaching a decision.

The audit looked at whether:
- the service had a clear and agreed approach for identifying and evaluating different options
- this evaluation considered the full range of options available to the service
- recommendations from the evaluation were acted upon
- any planned performance improvements (resulting from the recommendations) had been achieved.

As in criterion 1, auditors looked at both the service's overall approach and a completed option appraisal exercise. The completed exercise indicated the extent to which approaches had been applied in practice.

Around three-quarters of services had established comprehensive approaches to option appraisal[13] (Exhibit 6). Almost a third of these addressed the key features of a best value service in full. Approximately a tenth of services were found to have no agreed approach (or a very limited one) in place.

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[13]   These were typically part of best value review guidance issued by the corporate centre.

**Exhibit 6: Service progress developing approaches to option appraisal**
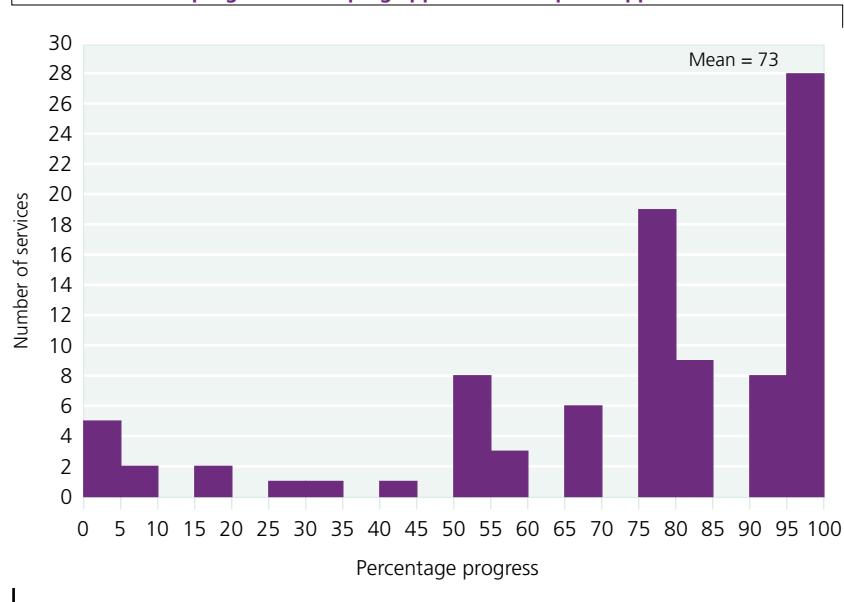
Auditors found that:

- more than 80% of services had prioritised activities for review and option appraisal (this was expected as all councils have a five-year programme of best value reviews requiring priority areas to be addressed first)
- three-quarters had a clear rationale for selecting those priorities
- in two-thirds of cases these approaches advocated consideration of a range of alternative options to in-house provision.

However, auditors found that these established approaches had often not been applied in audited services. Exhibit 7 illustrates that the majority of services were addressing option appraisal in an ad hoc or limited manner. No option appraisal work had yet been undertaken in about a quarter of services[14]. Average application was only around 40%. Only one in six services were addressing 75% or more of the key features.

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[14] A number of these services had yet to undertake any service review work. This explains the high proportion of services at the bottom end of the implementation scale for option appraisal (and benchmarking; as outlined under criterion 9).

Exhibit 7: Service progress developing approaches to option appraisal
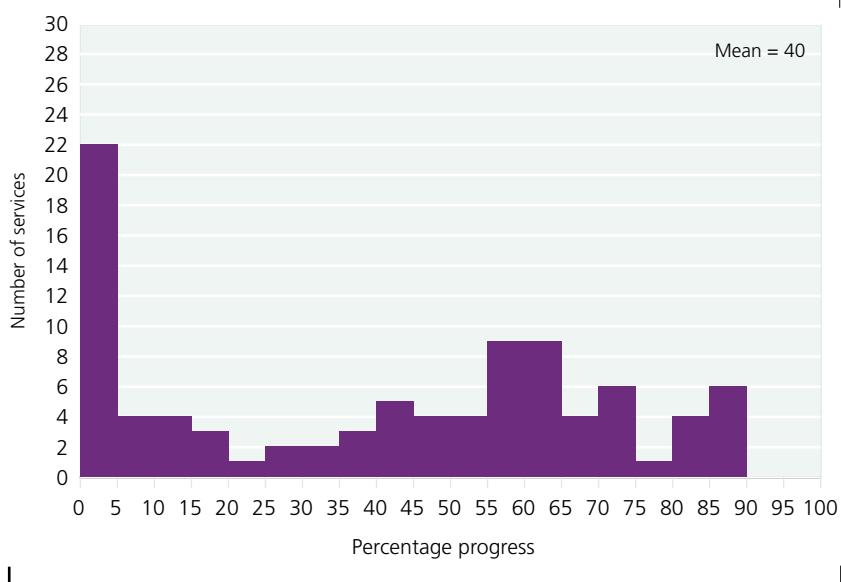
In addition, auditors found that of those who had undertaken an option appraisal exercise:
- just over half had identified the range of options that auditors might have expected to see
- around 50% of services had no agreed criteria for choosing between alternative options
- only half had assessed the cost and quality of the different options
- around 40% had little rationale for omitting particular options from the appraisal they had undertaken
- nearly two-thirds had not informed elected members of the strengths and weaknesses of the various options
- it was typically too early to establish whether the chosen options had delivered any improvements in service management or delivery.

The services making most progress in addressing the key features were:

Council	Service
Dundee City Council	Social Work
City of Edinburgh Council	Housing
Renfrewshire Council	Finance (Accounting & Budgeting)
West Lothian Council	Occupational Therapy

Good practice identified through the audit: Option Identification and Appraisal, Social Work Resources: Older People Services, South Lanarkshire Council

Residential Care was one of the early reviews carried out by South Lanarkshire Council's Social Work Resources. The Council had a relatively small market share of residential/ nursing home provision within South Lanarkshire. The review involved managers of the service and elected members.

The review process initially resulted in the identification of service objectives and standards. Managers then had to decide what action had to be taken to achieve these. This was progressed within the financial framework of available funding. A " Save to Spend" approach was taken, assuming any changes would largely be self-financed. Common steps are taken as part of the review process, including:
- an examination of service management, job content and staff structures and gradings
- an evaluation of the way services are delivered and the potential for efficiencies
- a consideration of the place and future arrangements with the independent sector.

Options

The options for services (identified within the Council's best value review process) are:
- maintaining the status quo
- outsourcing to an independent sector provider
- floating off to a not-for-profit organisation
- implementing best value change to the directly provided public service.

The fourth option was selected for Residential Care. The reasons for this were:
- concerns over monopoly provision by any one provider
- a wish to maintain provider experience within the Council for standard setting and compliance work
- public desire to maintain Council provision
- elected members' preference for continued Council provision
- an internal commitment to deliver value for money in a mixed social care market.

How it worked

Staffing, physical provision and service finances were examined as part of the option appraisal process. The Council decided that its directly provided homes must be 'competitive', whilst raising standards by:
- reducing unit costs significantly
- reducing levels of management
- restructuring staffing and introducing a new 'assistant' grade
- transferring DSO staff into an integrated social work management structure
- transferring all staff onto APTC conditions
- upgrading homes to a '5 star' specification
- closing units which could not be upgraded cost-effectively (two homes closed).

As a result of the subsequent development of the in-house service:
- gross expenditure has been reduced by £2 million
- there has been a significant reduction made in unit costs
- management costs have been reduced by 7%
- the working week has been reduced to 37 hours
- continuity of service assured with no compulsory redundancies made.

This has allowed:
- quality standards in service provision to be improved
- accommodation to be improved
- savings to be used to increase frontline staff by 33.

3. We have detailed plans for achieving our goals

Criterion 3 looked at services' approaches to planning. Plans are not ends in themselves. Rather, they are the means of translating the priorities of the council and its stakeholders into realistic actions for managers and employees. These actions must be backed up with the necessary resources if they are to be delivered. The services' plans also need to link closely with the activities (and plans) of key partner agencies.

"Councils should ensure that the key initiatives and actions required to achieve the council's overall strategic goals have been identified and planned in detail at both corporate and departmental levels."
Accounts Commission,
'Planning for success', 1998

Key features

Clear and concise plans are essential in a best value service. Such plans link visibly to corporate goals and priorities and set out what the service intends to do, its overall priorities, performance standards and targets to be met and the resources involved.

Such plans provide the basis for guiding decisions and action, and for holding the service to account. Managers and members periodically review achievements against the plan.

Although a service may have to produce more than one plan, the service makes sure that these are internally consistent and produced as part of a single planning and budgeting process. This ensures that they are all mutually achievable within given resources.

Some of the service's goals and objectives may involve working with other organisations: health boards, Scottish Homes, enterprise agencies, fire and police services, voluntary sector agencies. A best value service ensures that such partner organisations are aware of each other's plans and have understood and agreed their respective roles in contributing to these. There are mechanisms in place for agreeing the broad role, contribution and responsibility of each organisation. There are means for clearly identifying the extent to which these contributions/responsibilities are being met and the progress being made towards achieving the identified objectives.

"Best Value demands new attitudes, especially towards partnership with others."
Scottish Executive,
'Best Value: next steps', 2000

Within the service, there are mechanisms for ensuring that the commitments set out in plans are translated into specific tasks for teams and individuals to undertake.

The audit focused on establishing whether:

■ a plan (or plans) existed that set out what the service intends to deliver (including its priorities, resources and performance targets)
■ the service's plan(s) were integrated with the activity of other services or organisations.

Once again, auditors looked at the service's overall approach to planning and the detail of the then current service plan.

Audited services' progress in developing realistic plans and linking them to the activity of their key partners is illustrated in Exhibit 8. Most services had made substantial progress. More than half of the services had addressed virtually all of the key features. The average was around 84%. Only a handful of services had still to make progress.

Exhibit 8: Service progress developing approaches to service planning
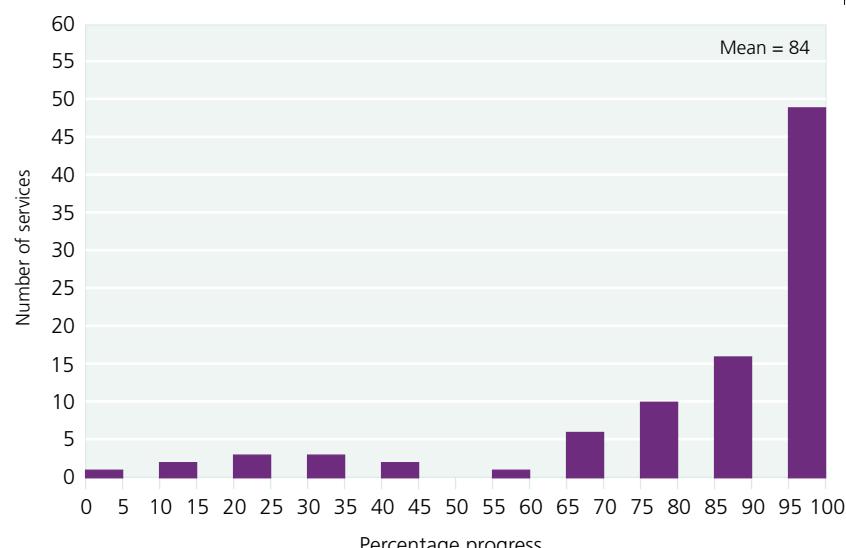
Auditors found that:

■ more than 90% of audited services either had a distinct plan or had objectives which were clearly identified in a higher level departmental service plan
■ more than 90% had identified the key partners they needed to work with to deliver their objectives
■ around 85% of services had established plans that linked (with a varying degree of formality) to the activity of their key partners.
■ around 70% actively took steps to ensure that their plans were co-ordinated with the activity of their key partners.
■ many services were making use of (service) planning guidance issued by the corporate centre of the council.

Most services have made progress in addressing the key features in their own plans (Exhibit 9). Around one in twelve services have addressed the key features in full. Approximately half of the services have addressed 75% or more. The average was around 63%. However, there were still eight services with no formal service plan.

Exhibit 9: Extent to which services' plans addressed the key features of criterion 3
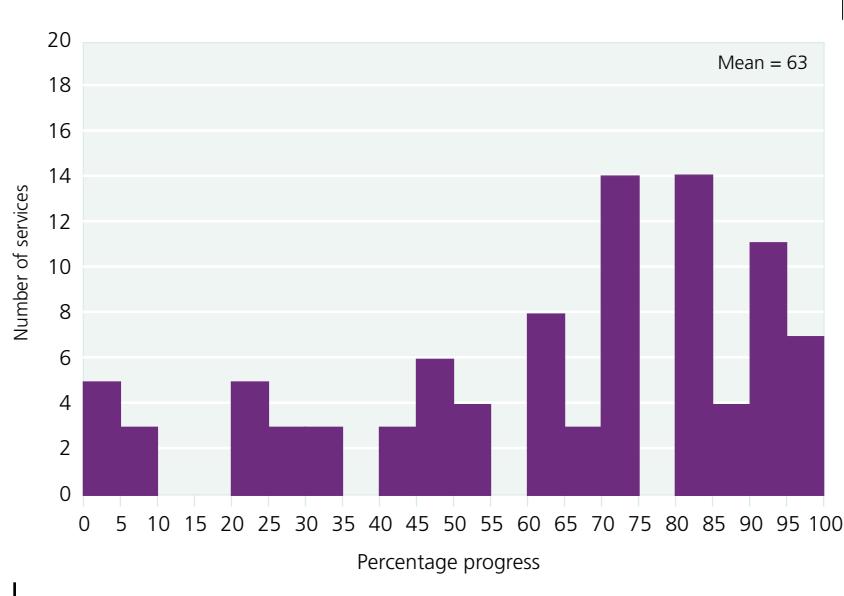
Auditors found that:

- three-quarters of services had plans that clearly set out the key priorities of the service.

However:

- fewer than two-thirds of services' plans set out performance targets
- only around 60% clearly identified who was responsible for progressing the actions set out in the plan
- fewer than half had clearly identified the resources (such as budgets, staff and assets) they needed to progress key actions.

The services making most progress in addressing the key features were:

Council	Service
Angus Council	Planning & Transport
Clackmannanshire Council	Criminal Justice
Inverclyde Council	Economic Development
Orkney Islands Council	Education
North Lanarkshire Council	Housing & Property

Good practice identified through the audit: Service Planning and Budgeting, Renfrewshire Council

Purpose

Service Plans lie at the heart of departmental planning systems. They co-ordinate development and the management of change. They provide the means to integrate the various other plans whether they relate to statutory requirements, corporate priorities, service reviews, the PMP audit process or the Best Value Implementation Plan. Service Plans provide a summary of what departments will be attempting to achieve over the next three years. They are the principal means of translating the broad corporate strategies into specific programmes and actions.

The Process

Service Plans were first introduced in 1997/98 and are now well-established within the Council. The service planning process operates on a rolling 12-month cycle. All departments have a current three-year Service Plan which is rolled forward each year to take account of new factors arising over the course of the year, feedback from customers and staff, recommendations from service reviews and progress implementing the current plan.

The service planning process is being continually refined in light of experience. In line with the requirement of Best Value and in response to the recommendation by Audit Scotland for a more integrated approach to budgeting and service planning, the 2001/04 budget will move the Council to a three-year budget which will be set within a service strategic context. This will recognise service planning as the principal vehicle for delivering the Council's objectives and also allow service proposals to be set out in a manner which allows the full financial consequences to be readily assessed and reflected in both capital and revenue budgets.

As a result, in 2001/04 there will be much closer integration in the budgetary and service planning processes. This will assist members in arriving at budget decisions in the full knowledge of their likely impact at service level. Changes to the process being introduced this year include:
- adjustments to process and time-scale to improve the fit between service planning and budgeting.
- inclusion of a service statement by each director to preface the budget submission which will subsequently form the foundation for each Service Plan.
- draft performance targets alongside the budget submissions.
- early consideration as part of the planning process of revisions required to the 2001/03 Capital Plan and bids for 2003/04.

Draft Service Plans are drawn up in October and are used to help shape the Council's revenue budget. At this stage the draft plans are used by directors as internal working documents and are not submitted to service committees. Formal approval of Service Plans follows immediately after finalisation of the Council's revenue budget when the plans, as amended, are submitted to first available service committees.

Content

Service Plans contain a broad overview of the principal factors which are likely to influence service needs, their development and delivery. They detail the steps which will be taken to ensure that the Council's core values become an integral part of the way services are delivered and set out the priorities to be pursued by departments over the next three years. Each Service Plan has a detailed Action Plan setting out the SMART tasks to be implemented over the Plan period along with challenging targets.

Monitoring

A monitoring system is in place to ensure that Service Plans become the key implementation drivers for departments. All departments report formally on Service Plan implementation to their respective service committees every six months. In September, this is in the form of a specific report to committee, while in March, a review of performance over the whole year is incorporated into the new Service Plan. Each review highlights significant successes or difficulties with particular emphasis being given to reporting progress with the departmental Action Plan tasks.

As a further development, an annual Service Plan overview report assessing overall progress towards the Council's corporate priorities will be prepared by the Chief Executive's department. This report will incorporate the main achievements, provide a critical assessment of progress and include an appraisal of any new or changed factors which are likely to affect the advancement of the corporate priorities. The overview report will help provide the strategic framework for the next round of Service Plans.

Contact for further information: Ron Morrison (ron.morrison@renfrewshire.gov.uk)

4. Our plans are clearly based on the resources we have available

Each council/service needs to allocate its resources (budgets, people and assets) to support its priorities. This demands a close link between the processes of service planning (identifying priorities) and budgeting (identifying and allocating resources).

Criterion 4 builds on criterion 3. Much of the activity under this criterion requires co-ordination at a corporate level within each council.

Key features

A best value service ensures that its plans are clearly based on the resources it has available. Resources will include finances, people, assets and information. The service knows what resources are available and ensures that they are applied to the right activities. Service plans have been properly costed and budgeted and are realistic and achievable given the available resources.

Although the focus will be on budgets for the forthcoming year, the service has also assessed the likely long-term availability of resources and resource priorities.

A best value service makes sure that it has the organisational capacity to implement all its planned improvements. Organisational capacity means that management and staff have the skills, knowledge, resources and time to implement the planned service improvements as well as continuing to provide day-to-day services.

The audit focused on whether:
- the service's plans were costed
- the plans set out the resources needed to progress each key activity
- the service had made progress towards multi-year planning and revenue budgeting.

There is substantial room for improvement in this area. Services' achievement in addressing the key features is illustrated in Exhibit 10. The pattern is far from clear. Only one in five services were addressing 75% or more of the key features. More than half were addressing fewer than 50%. The average was 47%.

Exhibit 10: Service progress in addressing the key features of criterion 4
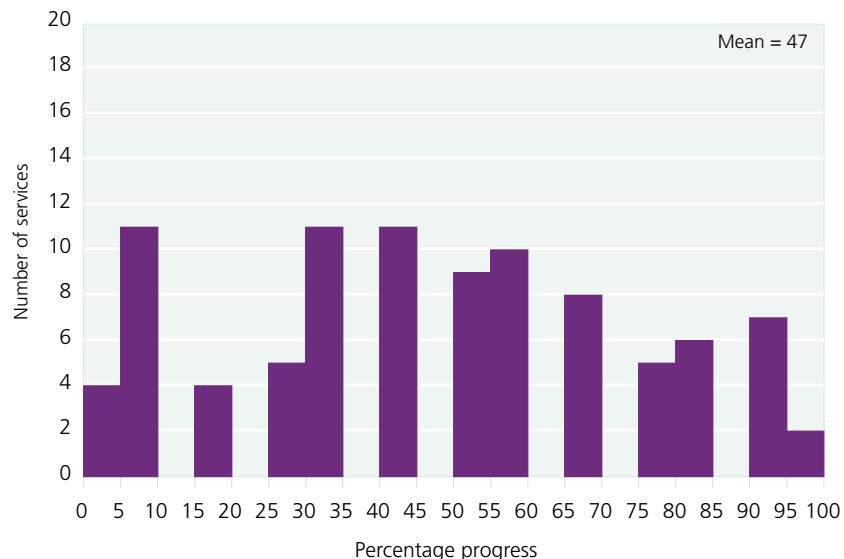
Auditors found that:
- only around 50% of services had identified the resources (finance, people and assets) they were likely to have available over the next three years
- two-thirds had not costed their service plans (ie, made substantial progress on integrating their planning and budgeting processes)
- only one in twenty services had developed approaches to integrating multi-year planning and revenue budgeting.

The services making most progress in addressing the key features were:

Council	Service
Clackmannanshire Council	Criminal Justice
Dumfries & Galloway Council	Creditor Payments
Dundee City Council	Libraries & Community Information
East Dunbartonshire Council	Criminal Justice
Inverclyde Council	Economic Development
Moray Council	Community Care
North Ayrshire Council	Criminal Justice
Orkney Islands Council	Technical Services
West Dunbartonshire Council	Grounds Maintenance

Good practice identified through the audit: Activity Based Costing (ABC), Glasgow City Council

In Glasgow, Best Value is a practical framework for the reform and modernisation of the local authority, driving major improvements in services for local people, and those who depend on the City for work, leisure and learning.

To meet the challenge of major reductions in resources over several years, the Council required to identify how efficiency savings could be achieved, and where the redistribution of financial resources could be made, from lower priority services towards key objectives and the priorities of stakeholders. The Council's integrated policy, budget and service planning system, drives this process, but requires robust information to allow management and elected members to make effective decisions.

In this context, the Council has been developing the concept of Activity Based Costing (ABC) since 1997, through pilot studies undertaken in conjunction with specialist consultants. The studies aim to:
- identify the key principles of ABC,
- examine the methodology for its implementation,
- determine its relevance for the Council.

Study areas have initially been in Financial Service areas, including Revenues, Pensions Administration, Internal Audit and Accounting and Budgeting. There is also widespread corporate interest and the expertise will extend across the Council in the medium term.

ABC is a technique that can critically examine operating procedures within services, highlighting areas of weakness and potential for improvement. Staff have been positively involved throughout Glasgow's projects, and encouraged to think objectively about the work they perform, identifying potential improvements in practice.

Through mapping exercises, the ABC technique provides an insight into major processes, highlighting interrelationships and dependencies. It also allows 'error loops' and areas of duplication to be identified, and significantly, for a financial value to be attached to them.

Value Analysis represents a further stage in the process, developing ABC into Activity Based Management (ABM). This analysis categorises activities as follows:
- Customer Value Adding
- Business Value Adding
- Non-Value Adding
- Sustaining.

For example, the following activity/cost profiles have been identified:

	Revenues Division	Strathclyde Pension Fund Office
Customer Value Adding	43%	38%
Business Value Adding	7%	16%
Non-Value Adding	40%	23%
Sustaining	10%	23%

While those activities identified as Non-Value Adding will not be entirely eliminated from operations, through ABC there is scope to examine their cause, reduce their impact and redirect resources into activities that add value to the customer and to the Council.

ABC contributes to many elements of Best Value. The methodology followed prompts managers to challenge current work practices. It provides information to compare with others and highlights areas for service improvement. It also allows managers to prioritise improvements by attaching financial value. Identifying problem areas leads to both in-depth analysis and to solutions. Developments in ABC will also allow managers to measure the financial impact of changes in service delivery procedures.

The Glasgow City Council studies indicate that ABC is not an exact costing mechanism, but a technique that highlights areas for improvement. It is potentially a powerful management tool that assists in the optimal utilisation of resources, and fits well into the Best Value framework of continuous improvement.

Contact for further information: Ronnie Nicol (ronnie.nicol@ced.glasgow.gov.uk)

How do we know we are doing things right?

5. We make best use of our available resources

Criterion 5 examined services' approaches to managing resources. Best Value, pressure on budgets and the need to deliver priorities mean that each service must make best use of the resources available to it. These may include property, equipment, materials and information. The service needs to have systematic approaches in place to plan, monitor and review its use of resources. These approaches may be part of broader council-wide strategies for resource management.

Key features

Good resource management is a critical aspect of Best Value and a key part of being a competitive service provider. Services must make best use of their available resources in the provision of services. A best value service has reliable and up-to-date information on the resources it has available and how it uses these.

The service has systematic approaches in place to monitor, manage and review its use of resources and has a good track record in improving its resource utilisation. These approaches cover asset management (property, plant and equipment), procurement and purchasing (co-ordination, supplier relationships and stock/materials handling), information management (control, communication and marketing) and the management of technology and intellectual capital.

A best value service has developed systems so that it knows the cost of its activities and services.

The audit focused on whether the service had:
- information systems to enable it to assess resource use
- clear plans and targets for improving resource use
- a track record in improving resource use
- made progress in developing accurate costing systems for its key activities.

The identification and implementation of resource management strategies varied considerably between services (Exhibit 11). About a third of services had 75% or more of the key features in place. The average was around 63%. However, almost a third had addressed fewer than 50% of these features. A handful had no, or very limited, arrangements in place to monitor the use of the resources available to them.

Exhibit 11: Service achievement in addressing the key features under criterion 5
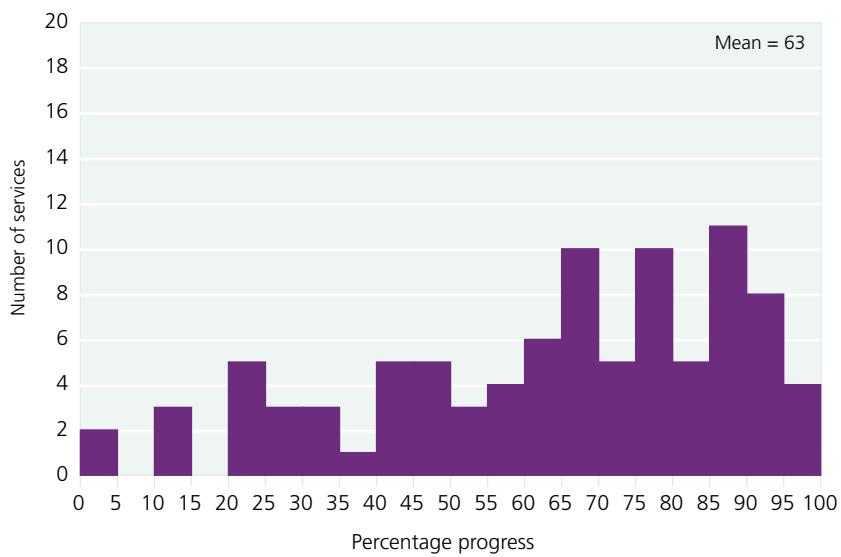
Auditors found that:

- 80% of services had up-to-date information on the resources they had available
- 70% had information on how they were performing in managing their resources (although only a third had clearly identified the key performance measures they needed to manage resources effectively)
- around half had undertaken comparisons of how their resource management performance compared to others
- 75% could point to improvements in resource management.

The services making most progress in addressing the key features were:

Council	Service
Clackmannanshire Council	Chief Executive's Services
Clackmannanshire Council	Criminal Justice
East Renfrewshire Council	Housing
East Renfrewshire Council	Community Resources
Fife Council	Cleansing & Waste Management
Glasgow City Council	Direct & Care Services
Glasgow City Council	Financial Services
North Lanarkshire Council	Catering Services
Orkney Islands Council	Technical Services
Renfrewshire Council	Community Care
Renfrewshire Council	Housing Management
Renfrewshire Council	Finance (Accounting & Budgeting)

Innovative practice identified through the audit: Joint Occupational Therapy Equipment Store, West Lothian Council

The community equipment loan store is based at St John's Hospital, Livingston. It opened in 1997 as an innovative purpose-built facility which was founded and commissioned by West Lothian Council, West Lothian Healthcare NHS Trust and Lothian Health Board.

West Lothian Council, on behalf of the Council and Trust, manages the store. It employs 9.5 whole-time equivalent staff and has an annual operating cost of around £205,000.

The store provides a high-quality home loans service for specialised equipment and the provision of continence products to support the activities of daily living and the nursing care of individuals in the community. For home loan items it operates as a storage, distribution, collection, cleaning, refurbishment and demonstration service.

This service is delivered within the context of partnership working, fully underpinning the joint ethos of care in the community by a locally based and responsive facility, in the best interest of users within the West Lothian catchment population. Standards operating within the store are compatible with principles underpinning the mission statements of both the Council and the Trust.

The overall aim was to improve the effectiveness of community continence services in Lothian by transferring the responsibility for the assessment of need for bed pads and urology products (ie, catheters, sheaths and drainage bags) to the NHS Trusts, discontinuing GP prescribing of these items (except in an emergency), and changing the supply system. These changes have brought tangible benefits to clients. These include home delivery, speedier assessment and decision-making and a more streamlined service.

The new partnership service for aids to daily living equipment replaced previous diffuse, unco-ordinated and fragmented service provision that lacked coherent financial control, local accountability and ownership of the service. There was considerable confusion for clients regarding the originating source of the service, and the number and identity of service callers to their homes.

Aids to daily living equipment is issued on loan to people who require assistance in order to remain independent within the community. This follows an assessment of needs and a requisition order by professional health and social work staff. Equipment varies from simple feeding, dressing and toileting aids to more specialised beds and hoists.

In October 1998, the service was expanded to include home deliveries of bed pads to clients, and urology products to the public via their local pharmacists. A further development to the service occurred from January 1999 with the provision of body-worn continence products to clients.

The store is a demonstrable successful application of a joint care approach with sustained improvements in service delivery being actively considered in a number of operational areas including:
- introduction of bar coding for most of the equipment range
- phased enhancements in the design and layout of the store
- client self-assessment for less specialised items of equipment
- additional resources for continence services
- wider application of new technology to improve communications and information processes.

The community equipment loan store is now a firmly established and valued partnership service providing a 'one door' approach for clients. The service is dynamic, evolving and innovative and has shown that it has the capacity to cope with the growing demand for home loan equipment and continence products as a result of increasing demand for care within community settings.

In 1999 the service made application for, and won, a Citation of Merit under the COSLA Quality Awards Scheme.

Contact for further information: Bill Lang (bill.lang@westlothian.gov.uk)

6. We make best use of our people

Achieving council and service objectives relies heavily on the contributions of staff. People management strategies can help maintain morale and ensure that the day-to-day activity of all employees is focused on the core objectives of the Council. Training to support this activity is essential. Criterion 6 looks at these aspects of service management.

Key features

In all services, Best Value will only be achieved if all staff are committed to, and involved in, continuous improvement. A best value service ensures that all staff are managed effectively and efficiently. Managers communicate service priorities and objectives to staff and ensure that those objectives are translated into tasks that teams and individuals undertake. Staff know what is expected of them, their performance is regularly assessed and they are assisted in improving their performance.

The service has accurate and up-to-date information on staff performance and a good track record in improving the management and performance of staff.

The audit focused on establishing whether the service had good systems in place for managing its people. It also looked at what progress had been made in implementing people management recommendations agreed in the 1997/98 management arrangements audit (Module 2 on *'Managing People'*).

Most services were doing relatively well against this criterion (Exhibit 12). The majority had rigorous approaches in place to ensure effective people management. Over 60% of services were addressing three-quarters or more of the key features. The average was around 74%. However, about one in seven services fell below the 50% mark. Only one in twenty had no, or very limited, arrangements in place for people management.

Exhibit 12: Service achievement in addressing the key features under criterion 5
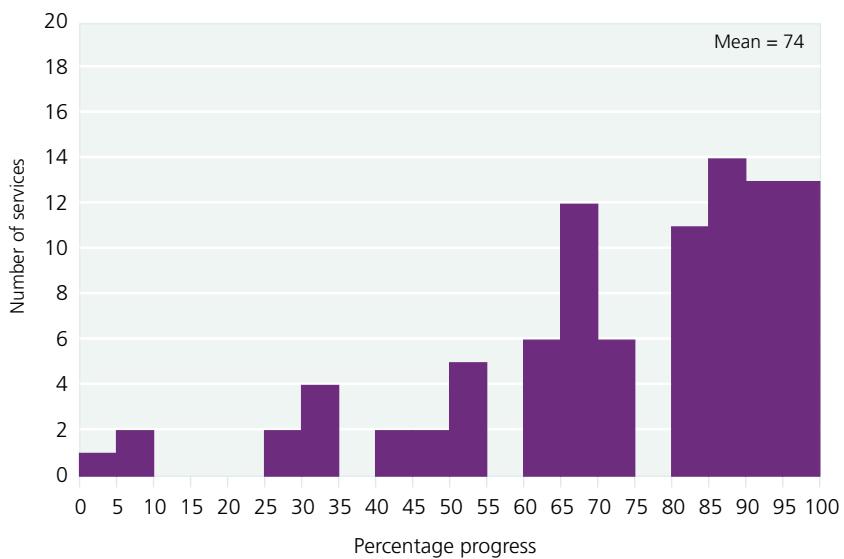
Auditors found that:

- 95% of services held accurate and up-to-date information on staff numbers, turnover, absence levels and overtime
- 70% of services had identified the key measures needed to assess staff performance
- more than half knew how the performance of their staff compared with that in other services
- the use of staff development and appraisal processes was widespread
- a majority of services had training plans in place (although in some instances these had not yet been tiered down to staff on lower grades, many of whom were involved in front-line service delivery)
- two-thirds of services could point to improvements in people performance.

The services making most progress in addressing the key features were:

Council	Service
Dumfries & Galloway Council	Creditor Payments
East Renfrewshire Council	Housing
Glasgow City Council	Direct & Care Services
Glasgow City Council	Financial Services
Inverclyde Council	Economic Development
Moray Council	Economic Development & Planning
Moray Council	Environmental Protection
Orkney Islands Council	Education
Renfrewshire Council	Community Care
Renfrewshire Council	Finance (Accounting & Budgeting)
Renfrewshire Council	Housing Management
South Lanarkshire Council	Housing
South Lanarkshire Council	Social Work Services to Older People

Innovative practice identified through the audit: On Target for Investors in People, City of Edinburgh Council, Housing Department

Investors in People (IIP) is the national standard which sets good practice for improving an organisation's performance through its people. Edinburgh Housing chose the IIP framework because it is based on common sense and is about achieving results. The standard provides the basis for continuous improvement of both the organisation and its people. It is making the organisation more successful and the service aims to gain accreditation by December 2000.

In 1997, Edinburgh Housing considered means of developing staff motivation. Local Government Reorganisation had just been completed and demands on staff to meet performance targets were placed against a backdrop of potential council house stock transfer and limited resources. Senior management supported the aims of good performance by providing training and development for everyone. IIP offered the best means of achieving that commitment.

In 1998, Edinburgh Housing committed itself to meet the IIP Standard. There were two main aims:

1. To achieve the standard which will instil staff pride in an organisation which seeks to continually improve;

2. To provide an environment within which staff can be confident that they contribute positively to the organisation's aims and objectives.

In 1999, an action plan was put in place with key staff working to align people management work with the framework. Consequently, the service satisfied the rigorous criteria set by IIP Scotland as an organisation committed to achieving accreditation.

In March 2000, managers commissioned an external assessor to check progress. The Department was put through a trial assessment, with all the rigour of the real thing. It was concluded in April, with positive results reported in May. The service is 87% of the way to full accreditation and is on track to be accredited in December. It refocused its action plan to concentrate specifically on three main areas:

■ consolidating our performance management

■ enhancing our first Training and Development Plan

■ developing our people management skills.

IIP is only truly effective if customer service is first-class and business results are achieved. The Department was assessed against the entire PMP framework. The PMP audit submission to external auditors showed that IIP complements and enhances the service's management and planning processes.

Criterion 1: We understand the needs, expectations and priorities of stakeholders

■ Listening to customers, the service has introduced a successful 'Repairs by Appointment' system and implemented an accelerated programme of window renewal and central heating installation.

Criterion 3: We have detailed plans for achieving goals

■ The Service Plan sets out five strategic goals that form the basis of team and individual targets.

Criterion 5: We make best use of our available resources

■ Council house rents have been frozen this year for the third consecutive year without diminution of the service

■ The service has the lowest number of empty homes in living memory.

Criterion 6: We make best use of our people

■ The performance appraisal scheme informs the training plan

■ The service has a wide range of internal communication processes

■ The service has introduced an improved induction process which includes quarterly induction seminars involving senior management

■ Absenteeism figures have been reduced with further stringent targets set for future years.

Criterion 9: We actively support continuous improvement

■ Customer Care workshops took place in 1999 which introduced Quality Action Groups, led by Heads of Service addressing the quality of the reception service, telephone skills and correspondence.

Other examples of external performance merit mention:

■ The service met its six key priorities for its operational service set by the Housing Committee

■ The service is ambitious, confident and competitive and has achieved £37 million (best in country) for New Housing Partnerships, nearly £10 million for the Rough Sleeping Initiative and £1.6 million for the innovative Empty Homes Initiative

■ The service has won several independent, external awards (eg, National Housing Award 1999, Good Communication Award 1999 and National Energy Association Award 2000).

The service feels that this demonstrates that Edinburgh is well on its way to providing an excellent housing service.

Contact for further information: Jim Davidson (jim.davidson@edinburgh.gov.uk)

7. We monitor and control our overall performance

Accurate, timely and up-to-date performance information is essential for managerial control, accountability and informed decision-making. It is important that performance measures link closely to the priorities of the service. Otherwise, managers and elected members will struggle to make informed judgements about the overall success of the service in delivering its priorities. They will also find it difficult to identify potential problem areas early and take the corrective action required. Criterion 7 examines these aspects of a service's approach.

> **Key features**
>
> A best value service has a rigorous performance monitoring system in place. This includes identifying the key measures used to monitor achievement of service goals and objectives, and collecting and using those measures to manage both strategic and operational performance.
>
> The service also regularly reports progress against its plans to senior managers and members.

The audit focused on whether the service:
- had an effective performance monitoring system in place
- had identified key performance measures to assess the extent to which it was achieving its goals and objectives
- monitored those key measures to improve performance
- reported its performance to decision-makers effectively.

"The question is no longer whether performance should be measured but rather:
- *What aspects of performance should be measured?*
- *Who should decide and use the measures?*
- *How, and by whom, should they be used?"*
Rogers, *'Performance management in local government'*, 1999

Auditors looked at both the overall approach adopted by the service and at the detail of performance monitoring reports submitted to decision-makers. Services' achievement in addressing the key features is illustrated in Exhibits 13 and 14.

Many services had performance monitoring systems in place that allowed them to identify the extent to which they were achieving their goals and objectives. Around half of the audited services had 75% or more of the key features in place (Exhibit 13). Approximately a fifth had addressed all or most of the requirements in full. The average was around 66%. However, there remains room for improvement in some services. One in three services had fewer than 50% of the key features in place. One in ten had no, or extremely limited, arrangements in place.

Exhibit 13: Service progress in developing a comprehensive approach to performance monitoring and reporting

Mean = 66
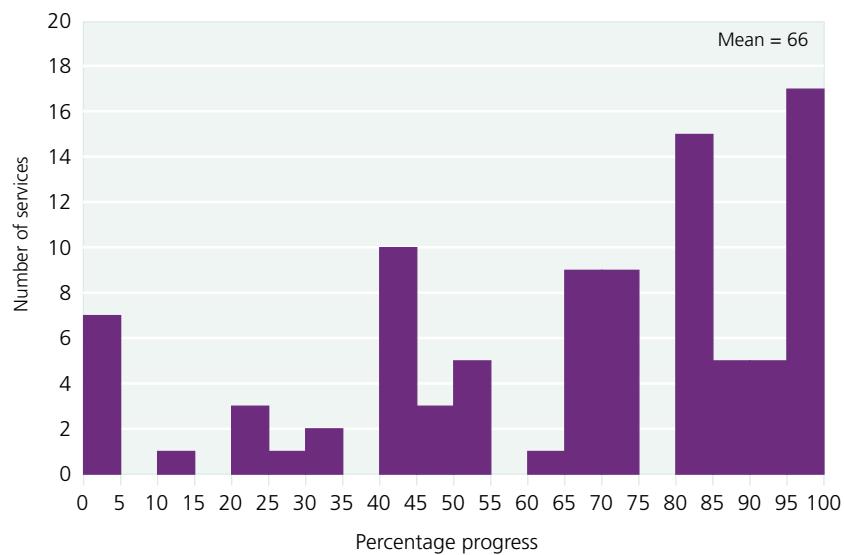
Auditors were satisfied that:

■ three-quarters of services had identified key performance measures linked to their goals and objectives
■ a similar number had up-to-date information on their actual performance
■ around two-thirds were adequately controlling their performance.

Performance reporting was less effective, with many services requiring to take further action to address the requirements of Best Value (Exhibit 14). Only about a quarter of services were addressing 75% or more of the key features. About half were addressing no more than 50% of the requirement. The average was around 48%. Approximately a sixth of services had no arrangements for reporting their performance to decision-makers.

Exhibit 14: Service progress in reporting performance to decision-makers

Mean = 48
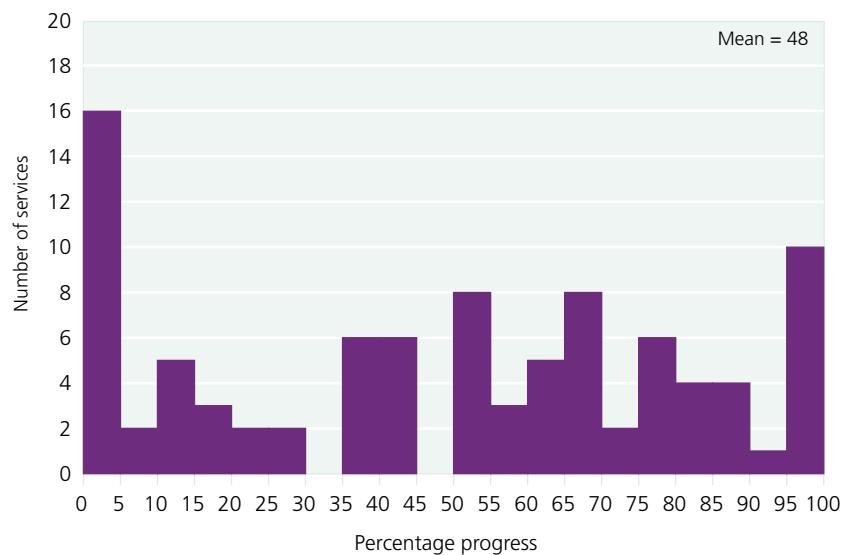
Auditors found that:

- fewer than half reported their performance to their key stakeholders on a regular basis
- only on two-thirds of occasions was the reader able to make an overall judgement about service performance
- just over half the reports allowed the reader to assess whether performance was being adequately controlled
- fewer than half of the reports clearly identified slippage in performance[15]
- only one in three services highlighted the corrective actions they were taking to control any slippage.

The services making most progress in addressing the key features were:

Council	Service
Clackmannanshire Council	Chief Executive's Department
Clackmannanshire Council	Criminal Justice
Midlothian Council	Social Work: Residential Homes for Older People
Moray Council	Community Care
North Lanarkshire Council	Housing & Property
Orkney Islands	Technical Services
South Lanarkshire	Environmental Health

Good practice identified through the audit: Using YOGIX for Performance Management, Chief Executive's Services, Clackmannanshire Council

Performance management has to be about more than simply creating strategies and plans. Clackmannanshire Council's Chief Executive's service piloted a system whereby the key objectives and tasks assigned to officers, as well as the measured outputs, were entered into a simple database and progress against these was monitored.

Systematic progress reports were reviewed by the management team on a quarterly basis - and more frequently, where required - one month before formal reports to committee. Monitoring examined not only work planned and completed for previous months, but also that due for completion in the coming weeks, to allow short-term priorities to be adjusted and tasks properly finished.

The system (nicknamed YOGIX (**Y**es **O**n**G**oing and **I**ncomplete and **'X'** for abandoned) also highlighted tasks which had moved both up and down the priority list as the plan period (a year) developed, allowing a measure of the impact of external opportunities and pressures, and quantifying precisely some of the serious impacts of, for example, extended sickness absence.

The use of a database allowed individual officers both to achieve ownership of their tasks and to see how these fitted against broad objectives - for example, customer and citizen involvement or social and economic regeneration. Under five key objectives, more than 250 tasks were allocated over a service with 26 FTE officers covering a wider range of policy, partnership and performance work.

During the year in question there were significant changes in emphasis brought about by the success of the Council's social inclusion bid and these could be easily traced and accounted for, and other work reprioritised in a transparent and auditable manner.

The database structure was of significant assistance in allowing evidence to be assembled and laid out for audit testing. It also enabled easy links to be made to budget and staff development issues - the service achieved IIP status during the course of the year - and could be linked into other related corporate plans and programmes such as the Best Value reviews, Health Alliance, Community Safety, etc.

The next stage, to develop towards time-recording and costing, was planned for year 2000/2001 and will support work on Best Value reviews within the service. Both the general structural and design principles of the database and the application itself have been made available to other services within the Council and are being continuously updated and improved.

Contact for further information: Stewart Hutton (shutton@clacks.gov.uk)

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[15] Not all services will necessarily have slippage to report, meaning that the score may be artificially low.

8. We have sound financial control and reporting

Sound financial management is a fundamental requirement of Best Value. It is mainly assessed through external auditors' scrutiny of council arrangements for financial regularity and the sound stewardship of public money. In addition, criterion 8 looked at the measures that the service uses to assess its financial performance and the arrangements it has in place to communicate this performance to decision-makers.

Key features

A best value service optimises its available income and ensures proper financial management of its expenditure. The service has identified the key aspects of its financial performance that it needs to monitor and act upon.

The timely reporting of financial performance takes place at all levels and action is taken to investigate and act upon any irregularities or under- and overspends. Budget-holders have been identified and have clear responsibilities. They receive adequate and timely information to enable them to manage their budgets and performance.

The service has effective financial monitoring and control over devolved budgets and funding of external organisations through grants and awards.

The audit focused on whether the service:
- had good financial monitoring systems in place
- monitored, controlled and reported its financial performance effectively.

Almost 90% of audited services had sound arrangements in place for financial monitoring (Exhibit 15). Only a handful of the services audited were causing concern.

Exhibit 15: Service progress in developing sound approaches to financial monitoring
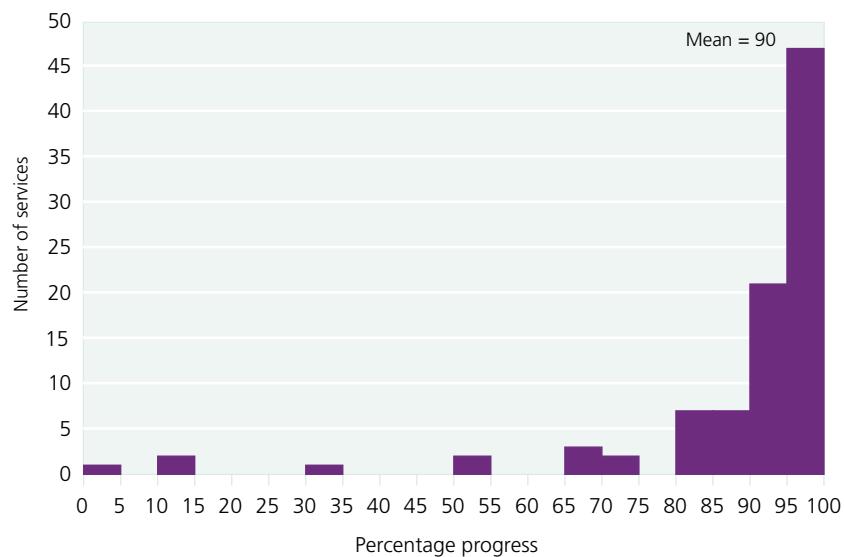
Auditors found that:
- more than 90% had accurate and up-to-date information on their financial performance
- around 90% regularly reported this to decision-makers and budget-holders
- three-quarters of services had identified key financial performance measures (although some of these were using solely 'spend against revenue/capital budgets').

While the majority of services were found to have good financial monitoring systems in place, many services did not subsequently report information to decision-makers in a form that allowed them to understand easily the key messages about financial performance and be assured that effective control was being exercised[16] (Exhibit 16). Only around half of the audited services were addressing 75% or more of the key features of financial reporting. The average was around 70%. Approximately a quarter of services were addressing 50% or fewer of the key features.

Exhibit 16: Service progress in developing sound approaches to financial reporting
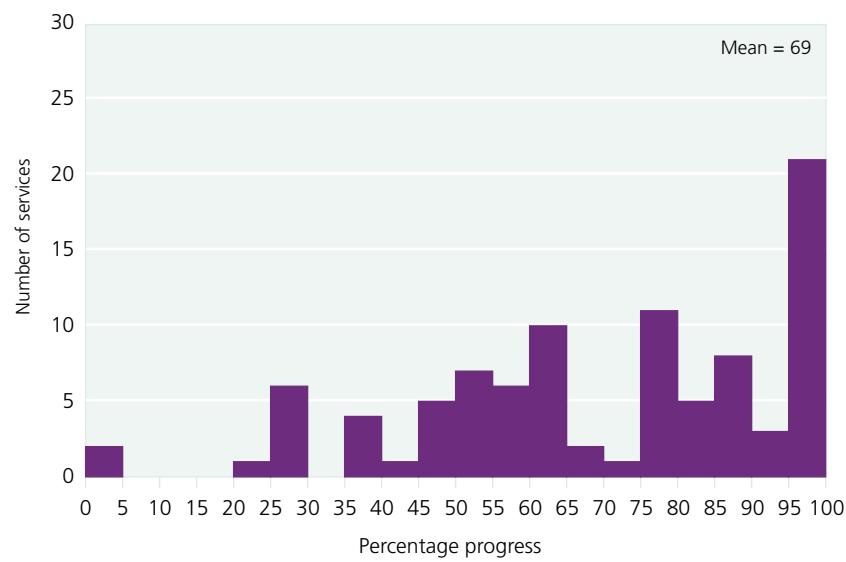
Auditors found that:

- in only about two-thirds of occasions did the reports easily allow the reader to make a judgement about financial performance (some services reported performance to decision-makers in the form of extracts from budget books; this made it difficult to abstract key messages about performance)
- in 30% of cases it was difficult to decide from the reports whether financial performance was being controlled
- around half failed to set out corrective actions to control any slippage
- only about a third of reports indicated that previously agreed corrective actions had been taken.

The services making most progress in addressing the key features were:

Council	Service
Clackmannanshire Council	Chief Executive's Services
Fife Council	Community Services
Glasgow City Council	Direct & Care Services
North Lanarkshire Council	Housing & Property
Perth & Kinross Council	Roads, Transport & Architectural Services
South Lanarkshire Council	Environmental Health
South Lanarkshire Council	Housing
South Lanarkshire Council	Social Work Services to Older People
Stirling Council	Exchequer Services

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[16]   Further guidance on financial performance reporting in DLO/DSOs is available from the Accounts Commission's publication 'Understanding our business'.

Good practice identified through the audit: East Lothian Council, Performance Scorecard

East Lothian Council has introduced a 'balanced scorecard' approach to performance monitoring and reporting. The scorecard recognises that financial measures alone are inadequate as a means of assessing service performance. Instead, each service should have a 'balance' of performance measures, looking across a number of aspects of its performance.

In East Lothian, the Council's budget is now allocated to around 150 'business units'. These units come together to form 33 business groups (eg, Libraries' Business Unit falls within the Cultural Services Business Group).

Each business group draws up a three-year Business Plan. This includes a one-page Performance Scorecard summarising the objectives of the group.

A total of up to fourteen local performance measures are chosen by the group to reflect their Business Plan objectives. The Council prescribes that all groups must identify measures on sickness absence, turnover, actual budget and variance. Where a service has statutory performance indicators, these are included, but they are very much in the minority. Other than that, each group has discretion to select its own measures.

The measures are then grouped under the four scorecard headings:
- Customer (emphasising the importance of customer focus)
- Getting Better (focusing on how the service plans to improve)
- How We Operate the Business (reflecting the importance of deadlines and standards)
- Finance (focusing on budgetary and financial performance).

East Lothian feels that these headings reflect the various aspects of performance most appropriately.

Each Performance Scorecard follows a standard layout. This allows managers and scrutiny panels to read them more easily. The intention is to allow the business group to summarise its objectives into one page of indicators that are appropriate to its own objectives, with three-year targets for these indicators. It then reports regularly on progress (including telling staff how well the plan objectives are being achieved).

Business groups have had some difficulty in identifying measures for their objectives. In the first year the intention is to have only limited questioning of the measures. These can evolve through experience. In the first instance, it is more important to make routine use of the information than to have ideal measures.

An important aspect of the system is that the Business Plan objectives are relatively high level. Each business group is recommended to have only three or four objectives, and the Performance Scorecard tracks achievement of these, not of the multitude of small actions that the service will progress. In this way the service is asked to report on its core work, and not to put a lot of effort into documenting the smaller actions. How they meet their objectives is at their discretion. The important thing is that everyone concerned knows where the service is going and that progress is being made.

In time, it is intended to extend the process to the smaller business units and that each of these should have a three-year business plan and Performance Scorecard. The Council is also developing a Corporate Performance Scorecard for the authority as a whole, to report progress on achieving the Corporate Plan.

Contact for further information: Andrea Kerr (akerr@eastlothian.gov.uk)

How do we plan to improve?

9. We actively support continuous improvement

Delivering Best Value requires services to share a council-wide commitment to continuous improvement through identifying and sharing good practice within the service, listening to customers and citizens and communicating openly with employees. Criterion 9 examines services' approaches to these issues.

Key features

A best value service actively seeks to create a culture to support continuous improvement and organisational learning. It experiments in a managed way with new approaches, learns from its own experience and that of others, and is skilled at transferring good practice throughout the service. The service has identified the key steps to be taken to promote such a culture and these have been put in place. Such steps may include focused staff training and development, improved communications, the introduction and use of recognised approaches such as IIP or EFQM.

The service has progressed best value service reviews to support continuous improvement. In addition to these reviews, the service has in place ongoing approaches to ensure it regularly reviews its performance. This involves relevant key stakeholders and includes the use of customer feedback, suggestions and complaints and customer surveys.

The service uses a range of approaches and techniques to support continuous improvement. It ensures that staff have the necessary skills to contribute fully to continuous improvement. The service ensures the cost-effective use of benchmarking across all its activities.

The PMP audit focused on whether the service had:
- taken action to support continuous improvement
- effectively identified and disseminated good practice
- a systematic and effective approach to benchmarking
- systematically used feedback from stakeholders to improve services
- a systematic and effective best value review process.

The findings are set out under three headings:
- the extent to which approaches were in place to support continuous improvement
- progress on benchmarking
- progress on best value reviews.

Approaches to support continuous improvement

A majority of services were taking action to develop and maintain an approach to learning and continuous improvement (Exhibit 17). Almost two-thirds of services had addressed 75% or more of the key features. Almost a quarter had addressed virtually all of the features. The average was around 77%. However, around one in ten had achieved less than 50%.

Exhibit 17: Service progress in developing approaches to support improvement
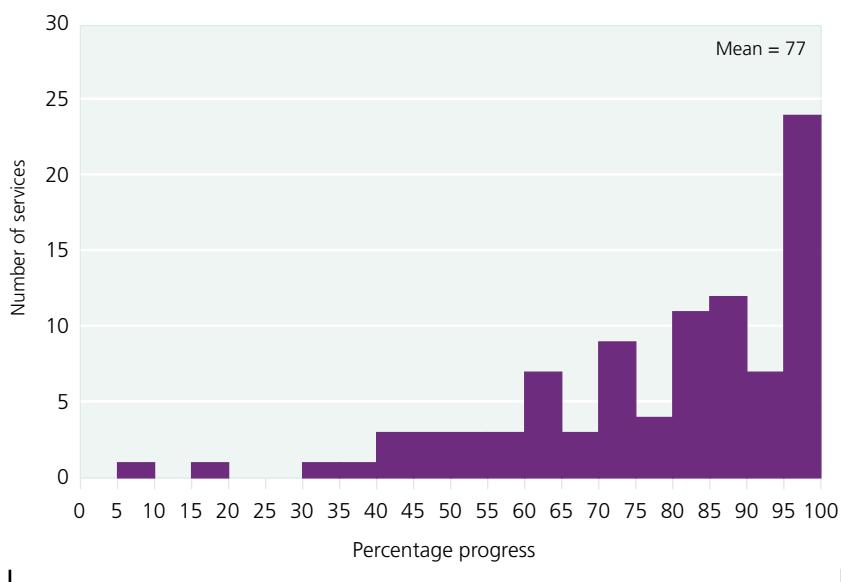
Mean = 77

Number of services (y-axis, 0 to 30)
Percentage progress (x-axis, 0 to 100)

Auditors found that:

- over 80% of services had clearly determined the key steps they needed to take to support continuous improvement
- a similar number had made progress in implementing these steps
- three-quarters had systematic approaches in place to identify and share good practice (slightly fewer could highlight specific examples)
- around 70% collected and used customer feedback to improve performance
- two-thirds had agreed approaches to benchmarking (a similar number had prioritised the key performance areas they intended to benchmark).

Good practice identified through the audit: Disseminating Good Practice, Personnel Services, Stirling Council

Since the inception of the Council, services have striven to improve performance continuously on a range of fronts. Through its Best Value philosophy, Stirling is committed to continuous improvement in the assessment of customer/citizen requirements, and delivery of quality services which are efficient and effective in meeting its aims and objectives.

To pursue innovative 'out of the box' thinking and solutions, Personnel Services network and create contacts in other organisations, eg UK authorities, NHS, universities, and commercial organisations.

In 1999, Stirling was accepted into the 'ABC Partnership' of councils established for benchmarking purposes. The partnership also includes Clackmannanshire, East Lothian, East Renfrewshire, Inverclyde, Midlothian, North Lanarkshire, Perth & Kinross and Scottish Borders.

The Personnel Sub-Group chaired by Perth & Kinross focused activities in key areas:
- high-level personnel performance indicators
- external training
- customer consultation
- recruitment and selection
- health & safety
- sickness absence
- employee development.

Sharing information, learning from good practice, and discussing topical issues facing personnel professionals in local government have proved extremely beneficial.

Structured remits, shared subgroup chairing, willingness to participate fully and respond quickly have delivered group success where others have failed.

As the Stirling representative, the personnel performance manager compiles and circulates a simple synopsis of areas discussed within five days of attendance. This highlights best practice to Stirling Council's management team and other Best Value steering groups as applicable. The Council contributes any of its own best practices identified in the preceding period. This is now a routine agenda item at the monthly Chief Executive's managers' meeting, thus allowing corporate cross-fertilization.

Synopses have been performed on:
- Customer Consultation
- Employee Training
- Personnel High Level Indicators
- Health & Safety
- Recruitment & Selection
- Absence Management
- Development & Training.

Benefits

One of the main service benefits is the developmental opportunities for practitioners nominated to participate in the various ABC subgroup activities, raising their job interest, awareness and attitude towards quality and performance.

Contact for further information: Gordon Best (bestg@stirling.gov.uk)

Benchmarking

There is room for improvement in the application of benchmarking (Exhibit 18). Only about a quarter of services had addressed 75% or more of the key features. About half had addressed fewer than 50%. The average was around 44%. Over a quarter of services had yet to commence any benchmarking activity at the time of the audit.

Exhibit 18: Services achievement in progressing benchmarking
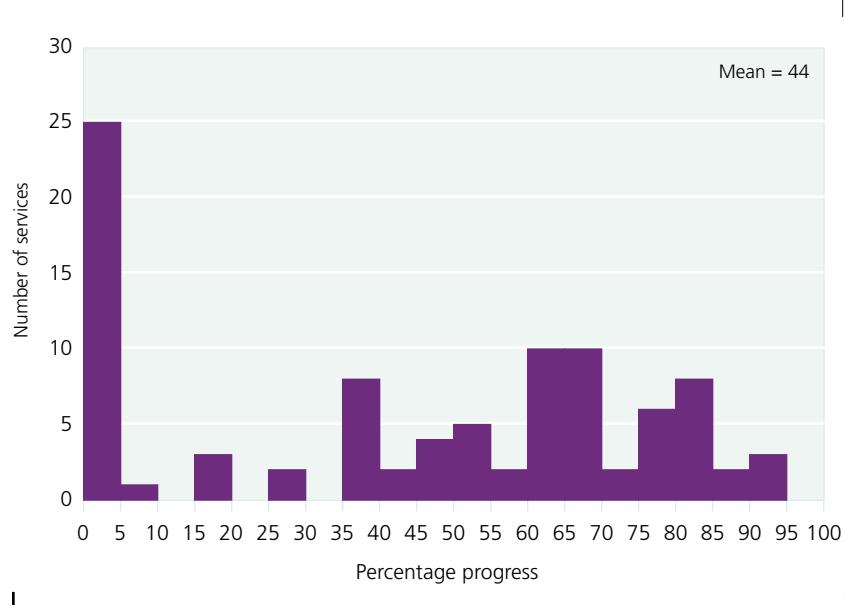
Auditors found that *where benchmarking exercises had been undertaken*:

- about 80% of services had a clear rationale for selecting the chosen area for benchmarking
- around 75% were clear at the outset regarding the objectives of the benchmarking exercise
- more than 80% were confident that staff had the necessary skills to complete the work
- fewer than half had identified the resource requirements of the exercise (although around two-thirds felt that the necessary resources had been allocated).

However, the detail of these exercises showed that:

- fewer than half had involved benchmarking of processes as well as data[17]
- only a similar number had looked outside local government for their benchmarking partners
- fewer than half had resulted in recommendations for service improvements as a result of the completed work (it was typically too early to establish whether these improvements had been delivered)
- fewer than one in eight services had evaluated whether the exercise had provided value for money.

Good practice identified through the audit: Total Benchmarking Project, Angus, East Dunbartonshire, Scottish Borders and South Ayrshire Councils

Effective comparison is one of the more elusive challenges of Best Value. Many have searched for benchmarking arrangements that allow objective comparison of services and costs of delivering but most, if not all, have found the search frustrating and not always rewarding. The Total Benchmarking Project offers evidence of real progress.

In the early days of Best Value and benchmarking, councils were concerned that, well-intentioned as efforts were, objective and rigorous examination of the cost of service delivery was extremely difficult to achieve. That difficulty arises from the differing definitions of activity and the variety of cost allocation methods that councils apply.

Four councils - Angus, East Dunbartonshire, Scottish Borders and South Ayrshire have developed a model, with the assistance of an external consultant, which attempts to create a common definition of all council activities and an agreed protocol for the allocation of all costs. There is also agreement to share the comparative information on a confidential basis.

The pilot exercise with these four councils, which was co-funded by the Scottish Executive, has just been completed and the results have been well-received to date. All council activities were subdivided into 75 separate headings with an agreed definition against each, and the financial information, drawn from the councils' own ledgers, is 'sliced' and allocated against each activity.

As a result, each council can see what it actually costs to provide each of these 75 services and how the council compares with other members of the family in each of the service areas (confident in the knowledge that the comparison is made on a consistent basis).

Whilst it sounds simple enough, it has been a painstaking exercise to get agreement on the definition of activities and the apportioning of costs. But for the first time, 100% of the costs are allocated - nothing 'falls between the cracks' nor is the subject of creative accounting.

The four pilot councils have, therefore, been on a long and, at times, arduous journey (lasting about 18 months) to test the reliability of the model which they now believe will be of great value to the Best Value process.

A fifth council, Clackmannanshire, has now joined the consortium. They will get a more accurate feel for the demands on council resources to complete the exercise. It should be undertaken within four weeks without imposing too many demands for information on key staff.

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[17] Further guidance is given in the Account Commission's publications '*Measuring up to the best*' and '*The map to success*'.

In the meantime, however, the 'gang of four' that developed the model, along with the external consultants, are considering the output from the exercise. Where members and senior managers have considered the output, they are excited by its potential. At a strategic level it will help inform future Best Value Review exercises, whilst at an operational level, officers are able to contact each other where there might be something to learn about driving down costs, improving quality or changing internal processes.

To illustrate its application, early analysis suggests that one council might have a particular strength in treasury management, whilst another might provide insight into efficiency in housing management. Whilst only closer analysis and examination will confirm this, at the very least, the councils now have an informed baseline for an exchange of views and experience.

The quality or performance measures that have been applied undoubtedly need more work (particularly in the most difficult areas of social work, where hard output measures can be tricky). However, the councils think there may be merit in linking the review of performance information to this approach of cost calculation on a consistent basis across councils. The approach offers an opportunity to inform discussions about refining and supplementing the existing statutory performance indicator regime based on this type of comparison at a local level.

Contact for further information: Ken Hamilton (ken.hamilton@south-ayrshire.gov.uk)

Best value reviews

There is room for greater application of the '4Cs' required by Best Value[18] in many services (Exhibit 19). The majority of services had been involved in best value reviews. Approximately one in seven audited services had yet to commence review work. A number of other services had yet to complete their reviews. This affected the overall pattern and lowered the average achievement to around 56%. Just over a third had addressed 75% or more of the key features.

Exhibit 19: Service progress in addressing the key features of best value reviews

Mean = 56

Number of services (y-axis, 0 to 20)
Percentage progress (x-axis, 0 to 100)

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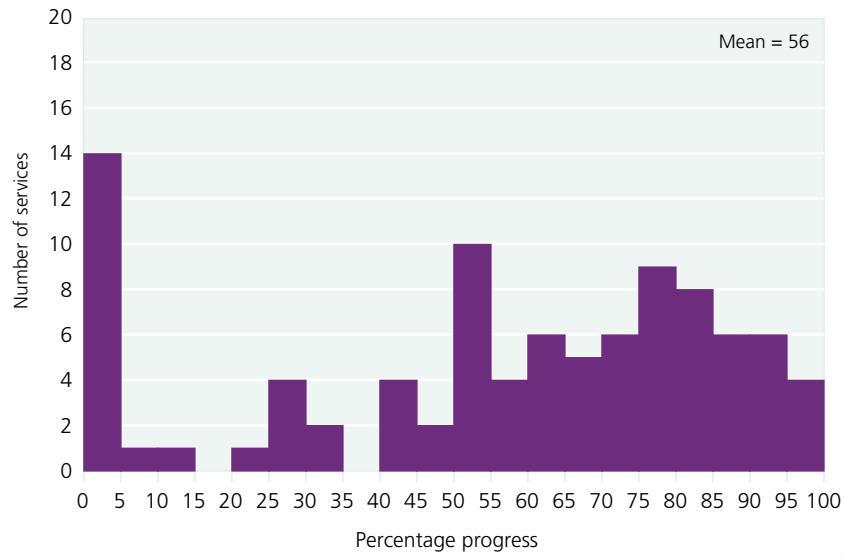
[18]   **C**hallenge, **C**ompare, **C**onsult and **C**ompete.

Auditors found that where best value reviews had been undertaken:
- virtually every service had a clear rationale for choosing the specific area for review
- 90% set out a clear process to be followed at the outset, although fewer than three-quarters subsequently followed this approach.

However, the detail of the reviews showed that:
- only around half of the reviews looked at whether the service should continue
- a similar number looked at the level of the service and the way in which it should be provided in the future
- fewer than half addressed who should deliver the service
- around half looked at a form of internal reconfiguration of services as an option
- only around half considered the performance of the current service against its own performance standards and targets
- about 60% assessed the 'competitiveness' of the service against the same or similar services provided by other councils or the voluntary or private sectors (around half of these relied solely on comparisons with other councils).

In addition, auditors found that:
- around 80% of reviews incorporated the views of service users and other stakeholders
- two-thirds incorporated some form of independent challenge of the findings (usually from officers outwith the service)
- fewer than half involved elected members in the process (although more than three-quarters clearly set out review findings in reports to members).

Good practice identified through the audit: Best Value Review Logbook, Dundee City Council

A review logbook is a powerful tool in delivering Dundee City Council's programme of best value reviews. The logbook guides review teams through the steps in a review.

Each page in a logbook provides brief instructions and a space to record the team's conclusions. For example, the instruction: " each stakeholder for the service has to be identified and consulted on the critical success factors" is followed by:
- **list your stakeholders (space provided)**
- **in the table provided (in the logbook), state the method of consultation with each stakeholder eg, survey, meeting.**

An information box reminds users of the key points covered in the supporting training course and refers to other support material provided by the Corporate Centre.

The steps covered in the logbook are required as part of the Council's corporate approach to best value reviews. The headings are as follows:
- identifying stakeholders
- list of main options
- a consultation plan to identify critical success factors of a service
- conclusion of critical success factors consultation
- current performance information on critical success factors
- method of comparison (select and justify choice, and describe the process and the conclusions)
- benchmarking
- market testing
- pilot projects
- option appraisal evaluation table
- continuous improvement ideas
- recommendations
- a standard report structure.

Each review team attends a one-day training course as a team. This introduces them to the logbook. Along with the instructions and self-completion boxes, check-lists and brief reminders of references to the training and guidance material are given.

Over 500 officers of the Council have attended the course as part of a review team. This has helped Dundee City Council complete 82 reviews since March 1998.

The advantages of the logbook are that it:
- helps guide the team through the review process
- provides a set of milestones for project-managing the review
- supports a standard approach and the quality assurance process of best value reviews
- helps achieve a consistency in the report language used
- ensures all the elements of Best Value are covered by the team.

Officers on the review teams have welcomed it.

The result is an efficient approach to reviewing services. Members appreciate the use of the common language and structure to review reports. This helps them quickly identify the information that provides assurance that the review team has covered its remit.

There is a danger of it being too rigid, but the review process and logbook itself is subject to review and improvement.

Contact for further information: Paul Carroll (pcarroll@dundeecity.gov.uk)

The five services making most progress in supporting continuous improvement as a whole (ie, addressing all key features of criterion 9) were:

Council	Service
Dundee City Council	Social Work
Falkirk Council	Corporate Services
Inverclyde Council	Legal Services
Perth & Kinross Council	Leisure & Cultural Services
Renfrewshire Council	Community Care
Renfrewshire Council	Finance (Accounting & Budgeting)
Renfrewshire Council	Housing Management

General findings

First, there are variations between *and* within councils in the extent to which performance management and planning arrangements are being implemented. No audited service has *fully* addressed all nine criteria, although a number were making substantial progress. Most services had strengths and weaknesses across the criteria. These strengths and weaknesses were not necessarily consistent for the three services audited in any one council. This partly reflects the tendency for many councils to have put forward for audit services that were at different stages in the development of their performance management and planning arrangements.

Second, while most services have made progress in implementing performance management and planning arrangements, some are progressing faster than others. It was often the same services that were making more progress in addressing each criterion. For example, many of the services making most progress against the key features of best value reviews were also found to have more fully addressed the key features of option appraisal and benchmarking than other services.

Third, some service areas are stronger at particular elements of the performance management and planning framework than others. Housing services were typically strong at addressing most of the framework. Environmental & Consumer Protection were typically making least progress. These differences are summarised at the end of this section and detailed in Annex 3. The findings point to opportunities for learning and sharing of good practice both within each service area and also between different service areas.

Fourth, some services had established approaches to activities such as service planning, benchmarking and consultation but had yet to translate these approaches into action. In these cases, learning about the effectiveness of the approaches had been limited.

Finally, many audited services are addressing key management processes such as public consultation, activity costing and benchmarking only as part of their best value reviews[19]. The tendency to incorporate this activity into best value reviews means that some essential aspects of sound management are undertaken only on a cyclical basis (perhaps once every four to five years) rather than being built into the ongoing management of the service. Some services are failing to take steps *now* to ensure that the sound management advocated in the PMP framework is being addressed. Instead, action is being postponed until a best value review is undertaken, possibly some years away.

Service by service variations in achievement

The discretion offered to councils in selecting services for PMP audit led to a variety of different services being selected across Scotland. As outlined in Section 3, it was possible to categorise these into groups of like-services:

- 19 Technical and former CCT services
- 15 Social Work services
- 11 Housing activity
- 9 Environmental/Consumer Protection
- 7 Leisure & Libraries
- 7 Planning & Economic Development
- 21 Central Support Services
- 7 'others'.

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[19]   Each council is required to produce a programme of best value reviews covering all of its activity. These will be completed over a four-to-six-year cycle.

The audit findings point to significant differences in achievement *between* and *within* like-service groups. This is of interest for a number reasons:

within any one service group –
- a **generally high level of achievement** suggests that the service group as a whole is making progress in addressing the key features of Best Value
- a **generally low level of achievement** indicates that the service group is making limited progress. It also points to opportunities for focused guidance and support to that particular service from relevant professional associations, COSLA and Audit Scotland
- a **range of achievement** indicates that there are opportunities for that service to learn from similar services in other councils (ie, Social Work services in 'council A' could learn from Social Work services in 'council B')

between different service groups –
- a **range of achievement** points to scope for one service area (eg, Finance) to learn from another (eg, Housing). While there may be differences in the nature of the service, strong similarities may exist in the approaches that can be used to manage them.

For each of the nine criteria, those service groups that scored significantly above or below average are shown in Exhibit 20. The absence of entries in many of the boxes indicates no significant variation in progress by different service groups against some of the criteria. However, these 'averaged' figures do not fully illustrate the range of progress being made. This is described in detail in Annex 3.

| Exhibit 20: Significant variations in progress by service group

PMP audit criterion	Above average	Below average
1. We understand the needs, expectations and priorities of all our stakeholders	Housing	Technical & Former CCT Services
2. We have decided on the best ways to meet these needs, expectations and priorities	Housing	Environmental & Consumer Protection
3. We have detailed plans for achieving our goals	Housing	
4. Our plans are clearly based on the resources we have available	Social Work	
5. We make best use of our available resources		Environmental & Consumer Protection
6. We make best use of our people		
7. We monitor and control our overall performance		
8. We have sound financial control and reporting		
9. We actively support continuous improvement	Housing	

Improvement actions

Every audited service has identified and agreed actions to address the key weaknesses identified by the PMP audit. Auditors will follow-up progress in implementation as part of the PMP audit work in 2000/2001 and Audit Scotland will report on progress in autumn 2001.

The audit also identified issues that were common across the three services audited in each council. Actions relating to these issues were identified at a corporate level. These are actions that the council as a whole needs to progress to support all of its services in the development and implementation of performance management and planning arrangements. Corporate level actions commonly included:
- further integration of the council's approaches to service planning and budgeting
- development and implementation of approaches to three-year revenue budgeting
- revision of best value review guidance based on the experience of reviews to date
- updating of the best value review programme based on any revised guidance
- production of resource management strategies to plan and manage the use of assets, information and technology
- development and/or further implementation of employee development and training schemes
- guiding services on the development of performance monitoring and reporting to ensure that key measures were reported to stakeholders on a regular basis
- reviewing the council's approach to benchmarking to ensure more comparison of processes.

6 Key messages

The key messages from the audit can be grouped under three headings. Some of these relate to the extent of *progress being made* in developing and implementing performance management and planning arrangements. Others relate to the *opportunities to share information* on good practice and sound approaches to support learning within and between councils. Finally, some are about the *effectiveness of the PMP audit* as a means of scrutinising performance management and planning arrangements.

Progress being made

The key building blocks of Best Value are being developed in the majority of councils. Most audited services have made progress in developing and implementing the performance management and planning arrangements that underpin their best value commitments. Most services can also point to improvements in service management or delivery as a result of the progress they have made to date.

Performance management and planning arrangements in some services are particularly strong. However, a small number of services have made only limited progress. In such instances, auditors have made service managers and Chief Executives aware of their concerns. The audit will check next year on whether action has been taken to address these concerns.

Best Value requires services to apply the '4Cs' (challenge, compare, consult and compete) through their cyclical best value review programme. Many services are not applying these '4Cs' with sufficient rigour to meet the requirements of Best Value. In such instances, elected members and other stakeholders cannot be assured that the current service is operating economically, efficiently and effectively. Achieving real service improvements will depend critically on application of the '4Cs', and councils must ensure that real progress is made. The Accounts Commission will be paying particular attention to these aspects of Best Value over the next 12 months.

A number of services were found to have made more progress on best value reviews, option appraisal and benchmarking. Other services were making only limited progress in all three areas. This implies that some of the latter services currently lack the drive, understanding or capacity to address successfully all parts of the performance management and planning framework. This is likely to result in a widening gap between these services and those demonstrating most progress.

There are often variations in the progress being made in each of the three services in any one council[20]. There could be a number of reasons for this. It may be indicative of services' inconsistency in applying corporate guidance on management arrangements. It may reflect differences in services' understanding of the concepts or importance of sound performance management and planning. Some professional associations may have made more progress in guiding services on Best Value than others. There may be capacity issues in

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[20]   This was anticipated as councils had selected services at different stages in the development of performance management and planning arrangements.

progressing Best Value in some services. Regardless, Chief Executives must co-ordinate the development of each council's performance management and planning arrangements to ensure that their commitment to Best Value is being actively addressed in *all* services. This work must be built into the ongoing management of the council rather than addressed through cyclical best value reviews.

Learning opportunities

The PMP audit looked at whether performance management and planning approaches had been developed in services, how extensively they had actually been applied and what lessons had been learned as a result. While most services had approaches to addressing each of the PMP criteria, the audit found that the extent to which these had been applied in some services was limited. Councils must ensure that the guidance they have developed is actually being followed. They should also ensure that the effectiveness of the guidance is reviewed to assess the extent to which it supports improvements in service delivery and management.

Each council should consider the key findings from the PMP audit and the opportunities that exist to learn from the progress being made by others. The analysis of strengths and weaknesses described in Annex 3 provides one useful basis for identifying opportunities and priorities for learning. Policy and central support service staff in each council also have a role to play in co-ordinating the identification and sharing of good practice between services.

The audit findings indicate that there are opportunities for learning within like-services and between different services. In some instances, there appear to be opportunities for greater adoption by managers of the good practice identified by their professional associations. In others, managers may have to look at innovative solutions from outside their own service (both in other council services and other parts of the public sector that are facing similar challenges).

Professional associations, COSLA, Audit Scotland and academics have key roles to play in supporting this learning and development. The audit findings should also inform the priorities and work programmes of networking and benchmarking groups.

The effectiveness of the PMP audit

The PMP audit approach has been effective in both assessing the performance management and planning arrangements in place in council services, and in focusing attention on further improvement in service management and delivery.

Audit Scotland gathered formal and informal feedback from audited services and managers at councils' corporate centre on their experiences of the PMP audit. This took the form of questionnaires for services and auditors; followed by a number of workshops with auditors and officers from councils' corporate centres. Dr James Sheffield from the Scottish Centre for European Public Sector Studies (Comhairle) at the University of Paisley also undertook in-depth interviews with managers in a sample of services.

Overall, feedback from services and auditors was positive and favourable. Services largely felt that the audit had been productive and useful and that auditors had been professional in their approach. Auditors by and large commented on the openness of service submissions and the helpfulness of service staff.

Feedback from all of the surveyed groups was used to inform and refine the PMP audit approach in 2000/2001.

A full report on the evaluation is available from Audit Scotland. It can be downloaded in full from the Audit Scotland website.

7 Taking the PMP audit forward

A further three service areas are being audited in each council in 2000/2001. The service level audit has developed to encompass all of the attributes of a best value council outlined by the Best Value Task Force (see Section 2). This will see criterion 10 on public performance reporting being applied for the first time. A new criterion on 'leadership of continuous improvement' has been added. The remaining criteria and associated key features in the 2000/2001 PMP audit have also been refined to reflect feedback from councils and auditors on the experience of the first PMP audit.

The revised criteria are shown below in Exhibit 21.

Exhibit 21: Criteria for the second PMP audit

1. Clear leadership for a best value approach is provided by the service head, the departmental management team and elected members.

2. We understand the needs, expectations and priorities of all our stakeholders.

3. We carry out effective best value reviews.

4. We have realistic and detailed plans for achieving our goals.

5. We make best use of our people.

6. We make best use of our assets.

7. We have sound budgetary control and reporting.

8. We actively support continuous improvement.

9. We monitor and control our overall performance.

10. We have an effective approach to public performance reporting.

Introducing a corporate (council-wide) element

A corporate level PMP audit is also being undertaken in every council in 2000/2001. This focuses on council-wide arrangements for supporting, implementing and reviewing services' approaches to the PMP criteria. It concentrates on four of the 10 service level PMP criteria (1, 3, 4 and 10). The focus is set out in Exhibit 22.

Exhibit 22: Focus of the corporate level PMP audit

PMP criterion	Corporate focus
1. Clear leadership for a best value approach is provided by the Service Head, the departmental management team and elected members.	Clear leadership for a best value approach is provided by elected members, the Chief Executive and the senior management team.
2. We understand the needs, expectations and priorities of all our stakeholders.	
3. We carry out effective best value reviews.	We manage our best value reviews effectively.
4. We have realistic and detailed plans for achieving our goals.	We have an effective corporate framework for planning and budgeting.
5. We make best use of our people.	
6. We make best use of our assets.	
7. We have sound budgetary control and reporting.	
8. We actively support continuous improvement.	
9. We monitor and control our overall performance.	
10. We have an effective approach to public performance reporting.	We have an effective approach to public performance reporting.

The corporate level PMP audit acknowledges that the way in which the council as a whole supports the development of Best Value/performance management and planning arrangements makes a significant impact on what is achieved at service level. Also, some aspects of the best value framework should be carried out at a corporate level (eg, support for best value reviews and public performance reporting). Some aspects of the PMP audit previously covered at service level (eg, three-year budgeting) are now being addressed in the corporate audit.

8 Conclusion

The establishment of effective performance management and planning arrangements is fundamental to ensuring that each council can focus its attention on the priorities of its citizens and communities and make best use of its resources in addressing these priorities. These arrangements underpin each council's work in incorporating Best Value into all its activity.

The first PMP audit has shown that the majority of the 96 audited services are making progress in developing performance management and planning arrangements. There are a handful of exceptions. In all instances, services have agreed actions to improve their approach. Auditors will follow-up progress in each council and Audit Scotland will report on this next year.

This overview report has provided a snapshot of progress in the implementation of performance management and planning arrangements in the audited services. Councils had freedom to select which of their services would be audited. Some services were known to be making more progress than others in the development of their performance management and planning arrangements. The findings from the audit are, therefore, not necessarily a representative sample of all council services. However, they do give an *indication* of the progress being made. This picture will become clearer as further PMP audits are completed.

External auditors are undertaking a second PMP audit in 2000/2001. This looks at a further sample of three services in each council. These have been agreed with council Chief Executives. Each council's overall arrangements for co-ordinating their best value activity are also being audited. Audit Scotland will report on this in autumn 2001.

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Scottish Executive	http://www.scotland.gov.uk
COSLA	http://www.cosla.gov.uk

Annexes

Annex 1 - Audited services 1999/2000

Council	Auditor	Like-service group
Aberdeen City	**Audit Scotland**	
School Meals		Technical Services
East Tullos Partnership Project		Other
Consumer Protection		Env. & Cons. Prot.
Aberdeenshire	**Ernst & Young**	
IT Services		Central Services
Recreation Services		Leisure & Libraries
Environmental Health		Env. & Cons. Prot.
Angus	**Audit Scotland**	
Roads		Technical Services
Planning & Transport		Technical Services
Environmental & Consumer Protection		Env. & Cons. Prot.
Argyll and Bute	**PriceWaterhouseCoopers**	
Estates Management		Technical Services
Sheltered Housing		Housing
Non-Domestic Rates		Finance
Clackmannanshire	**Scott-Moncreiff**	
Chief Executive's Department		Central Services
Environmental Health		Env. & Cons. Prot.
Criminal Justice		Social Work
Dumfries and Galloway	**Deloitte & Touche**	
Creditor Payments		Finance
Home Care Services		Social Work
Economic & Community Dev.		Planning & Econ. Dev.
Dundee City	**Henderson Loggie**	
Dundee Contract Services		Technical Services
Social Work		Social Work
Libraries & Community Info.		Leisure & Libraries
East Ayrshire	**Audit Scotland**	
Grounds Maintenance		Technical Services
Criminal Justice		Social Work
Property Repairs		Housing
East Lothian	**Scott-Moncrieff**	
Housing		Housing
Libraries		Leisure & Libraries
Personnel		Central Services
East Dunbartonshire	**KPMG**	
Planning		Planning & Econ. Dev.
Environmental Health		Env. & Cons. Prot.
Criminal Justice		Social Work
East Renfrewshire	**Audit Scotland**	
Housing		Housing
Community Care		Social Work
Community Resources		Central Services
City of Edinburgh	**Audit Scotland**	
Housing		Housing
Leisure Development		Leisure & Libraries
Waste Management		Technical Services
Falkirk	**Audit Scotland**	
Corporate Services		Central Services
Housing Services		Housing
Social Work		Social Work
Fife	**Audit Scotland**	
IT Services		Central Services
Community Services		Leisure & Libraries
Cleansing & Waste Management		Technical Services

Glasgow City	**Audit Scotland**		
Cultural & Leisure Services			Leisure & Libraries
Direct & Care Services			Technical Services
Financial Services			Finance
Highland	**Audit Scotland**		
Food Safety			Env. & Cons. Prot.
Council Service Points			Central Services
Home Care			Social Work
Inverclyde	**PriceWaterhouseCoopers**		
Legal Services			Central Services
Economic Development			Planning & Econ. Dev.
Services to Children & Families			Social Work
Midlothian	**Audit Scotland**		
Building Cleaning			Technical Services
Personnel			Central Services
Residential Homes for Older People			Social Work
Moray	**Audit Scotland**		
Economic Development & Planning			Planning & Econ. Dev.
Environmental Protection			Env. & Cons. Prot.
Community Care			Social Work
North Ayrshire	**Audit Scotland**		
Criminal Justice			Social Work
Personnel			Central Services
Housing			Housing
North Lanarkshire	**PriceWaterhouseCoopers**		
Catering Services			Technical Services
Housing and Property			Housing
District Courts			Central Services
Orkney Islands	**Audit Scotland**		
Education			Other
Technical Services			Technical Services
Piers & Harbours			Other
Perth and Kinross	**Deloitte & Touche**		
Roads, Transport & Architectural Services			Technical Services
Leisure & Cultural Services			Leisure & Libraries
Planning & Development			Planning & Econ. Dev.
Renfrewshire	**Audit Scotland**		
Community Care			Social Work
Housing Management			Housing
Finance (Accounting & Budgeting)			Finance
Scottish Borders	**KPMG**		
Finance			Finance
Technical Services			Technical Services
Leisure & Recreation			Leisure & Libraries
Shetland Islands	**Scott Oswald**		
Inter-Island Ferry Service			Other
Construction Design Service			Technical Services
Economic Development			Planning & Econ. Dev.
South Ayrshire	**Audit Scotland**		
Infrastructure Services			Technical Services
IS/IT			Central Services
Housing			Housing
South Lanarkshire	**Audit Scotland**		
Environmental Health			Env. & Cons. Prot.
Services to Older People			Social Work
Housing			Housing
Stirling	**Audit Scotland**		
Personnel			Central Services
Exchequer Services - Revenues			Finance
Building Cleaning DSO			Technical Services
West Dunbartonshire	**PriceWaterhouseCoopers**		
Finance			Finance
Grounds Maintenance			Technical Services
Environmental Health			Env. & Cons. Prot.
West Lothian	**Audit Scotland**		
Development Control			Planning & Econ. Dev.
Property Services			Technical Services
Occupational Therapy			Social Work
Comhairle nan Eilean Siar	**KPMG**		
Chief Executive's Office			Central Services
Finance			Finance
Environmental Services			Env. & Cons. Prot.

Annex 2 - PMP audit sub-prompts and percentage levels of achievement (for the first PMP audit)

The sub-prompts used in the first PMP audit are listed below. They reflect the key features under each criterion. Levels of achievement are shown beside each.

The figures illustrate the percentage of audited services scoring 0, 1, 2 or 3 in respect of their approach for each prompt:
- 0 – no evidence
- 1 – qualified 'No' (ie, 'not really, but…')
- 2 – qualified 'Yes' (ie, 'in some instances and/or to some extent …')
- 3 – 'Yes'.

Staff at Audit Scotland headquarters scored each service based on the audit templates completed by each council's external auditor.

These scores were used to produce an overall picture of progress against the key features of a best value service. For each criterion, the total possible score was "the number of sub-prompts" x 3. Each service's score was then compared to that total to give a percentage achievement in terms of having all the features in place. For each criterion (and for the overall framework), each service's score therefore appears on a continuum from 0 to 100%.

The percentage scores are based on a sample size of 93 audited services[21]. A handful of sub-prompts excluded from the scoring are marked with an asterisk. These were not seen as relevant to services' progress in implementing their performance management and planning arrangements.

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[21]   Thirty-one councils x 3 services (the auditor at one council opted not to submit templates to accompany the audit reports).

Criterion 1…We understand the needs, expectations and priorities of all our stakeholders

		0	1	2	3
1.	The service has clearly identified its key stakeholders.	0	3.2	16.1	80.6
2.	The service has identified the key issues on which it will consult.	8.6	6.5	12.9	72.0
3.	The service has built consultation into its regular service planning cycle.	20.4	11.8	14.0	53.8
4.	The service sets clear (SMART) objectives for its consultation exercises.	38.7	7.5	14.0	39.8
5.	The service's approach to consultation ensures that all stakeholders have an opportunity to contribute.	7.5	8.6	19.4	64.5
6.	The service sets clear evaluation criteria for its consultation exercises.	54.8	10.8	16.1	18.3
7.	The service co-ordinates consultation exercises to minimise cost.	39.8	5.4	12.9	41.9
8.	The consultation results in clear recommendations for service improvement.	16.1	5.4	15.1	63.4
9.	The recommendations have been implemented.	17.2	11.8	26.9	44.1

Based on one consultation exercise:

		0	1	2	3
10.	There were clear (SMART) objectives for this exercise in terms of what the service was seeking to find out	25.8	7.5	6.5	60.2
11.	There was a clear rationale as to why this particular method of consultation was being used.	17.2	3.2	1.1	78.5
12.	There was a clearly defined audience/group of participants.	9.7	0	1.1	89.2
13.	There was a clear rationale as to why they were chosen.	7.5	1.1	4.3	87.1
14.	The consultation exercise reached its intended audience.	8.6	2.2	8.6	80.6
15.	The resource requirements/implications of the consultation exercise were clearly set out.	58.1	5.4	12.9	23.7
16.	There were clear recommendations for service improvement as a result of the exercise.	25.8	6.5	8.6	59.1
17.	These have been implemented.	26.9	18.3	24.7	30.1
18.	The service has evaluated the exercise using its own agreed criteria	58.1	10.8	10.8	20.4
19.	The service has assessed whether the exercise demonstrated value for money (looking at the overall benefit of the exercise against the costs/resources/time required).	57.0	21.5	9.7	11.8
20.	What lessons were learned from the evaluation, and how will these affect future consultation exercises?	41.9	9.7	18.3	24.7

Criterion 2...We have decided on the best ways to meet these needs, expectations and priorities

		0	1	2	3
1.	The service has prioritised areas of its activity where a systematic evaluation of ways of meeting stakeholder needs will be undertaken.	16.1	1.1	11.8	71.0
2.	The service has a clear and reasonable rationale for these priorities.	22.6	0	10.8	66.7
3.	The service has an agreed approach for undertaking such evaluation.	18.3	3.2	9.7	68.8
4.	The approach includes service reconfiguring as an option.	25.8	7.5	14.0	52.7

Based on a completed option appraisal exercise:

		0	1	2	3
5.	The agreed evaluation approach was applied.	39.8	6.5	6.5	47.3
6.	A full range of options was identified and evaluated.	43.0	6.5	11.8	38.7
7.	These were as follows (list):*	50.5	2.2	12.9	34.4
8.	These included service reconfiguring.	48.4	2.2	9.7	39.8
9.	Clear appraisal criteria for choosing between options were identified at the outset.	52.7	7.5	9.7	30.1
10.	All options were reviewed in terms of both cost and quality.	54.8	10.8	10.8	23.7
11.	A concise evaluation of each option was reported to members.	60.2	6.5	11.8	21.5
12.	Clear recommendations were made as to which option was preferred.	48.4	2.2	6.5	43.0
13.	There was a clear explanation as to why the preferred option was recommended.	49.5	1.1	10.8	38.7
14.	The report clearly set out the service improvements that were expected as a result of this option.	43.0	4.3	14.0	38.7
15.	The recommendations have been implemented.	46.2	12.9	12.9	28.0
16.	If the answer to 12 is 'No', is there a clear explanation as to why not?	88.2	1.1	2.2	8.6
17.	It is clear how the performance of the selected option will be monitored.	53.8	3.2	6.5	36.6
18.	The expected improvements have been achieved.	49.5	11.8	29.0	9.7
19.	If the answer to question 6 is 'No', which options that could have been considered were not reviewed (list).*	91.4	4.3	4.3	0
20.	There was a clear rationale as to why these particular options were not included.*	88.2	1.1	4.3	6.5

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*   sub-prompts excluded from the scoring are marked with an asterisk.

Criterion 3...We have detailed plans for achieving our goals

		0	1	2	3
1.	The service ensures that all its plans are consistent with each other.	12.9	3.2	11.8	72.0
2.	The service has identified the other major services and organisations it needs to co-ordinate with.	2.2	3.2	7.5	87.1
3.	The service ensures that its plans co-ordinate with the activity of other services or organisations.	12.9	6.5	12.9	67.7

Based on the current (service) plan:

		0	1	2	3
4.	The plan clearly sets out the overall priorities of the service.	9.7	6.5	3.2	80.6
5.	The plan clearly sets out what the service intends to achieve (in SMART terms).	20.4	8.6	20.4	50.5
6.	The plan clearly sets out performance standards and targets to be achieved.	24.7	9.7	12.9	52.7
7.	The plan clearly sets out the key resource implications of performance targets and priorities. (See also Criterion 4 Task 3).	46.2	16.1	18.3	19.4
8.	Responsibilities for implementation are clearly set out for each of the main activities/areas of the plan.	31.2	7.5	14.0	47.3

Criterion 4...Our plans are clearly based on the resources we have available

		0	1	2	3
1.	The service has assessed the resources it is likely to have over the next 3 years.	32.3	19.4	19.4	29.0
2.	The service ensures that all its plans are fully costed.	39.8	17.2	16.1	26.9
3.	Resources and budgets have been allocated to key plan areas.	33.3	15.1	18.3	33.3
4.	The service has made progress in developing multi-year planning and budgeting	14.0	37.6	43.0	5.4

Criterion 5…We make best use of our available resources

		0	1	2	3
1.	The service has identified key performance measures in relation to its resource utilisation.	14.0	14.0	36.6	35.5
2.	The service has accurate, up-to-date and comprehensive information on the resources it has available.	7.5	4.3	33.3	54.8
3.	The service has accurate, up-to-date and comprehensive information on its current levels of resource performance.	17.2	7.5	30.1	45.2
4.	The service knows how its current resource performance compares with other services and other comparable organisations.	23.7	15.1	32.3	29.0
5.	This includes use of the following VFM reports:*	60.2	5.4	9.7	24.7
6.	This includes the use of the following PIs.*	46.2	6.5	21.5	25.8
7.	The service has made progress in developing systems for costing its key activities.	11.8	26.9	39.8	21.5
8.	Targets for resource improvement have been set (in SMART terms).	41.9	10.8	18.3	29.0
9.	The service has improved its use of key resources.	16.1	8.6	20.4	54.8

Criterion 6…We make best use of our people

		0	1	2	3
1.	The service has identified key measures by which to assess the performance of its people.	8.6	12.9	19.4	59.1
2.	The service has accurate, up-to-date information on: • the number of staff employed • the number of unfilled vacancies • sickness and absence rates • overtime costs.	3.2	2.2	5.4	89.2
3.	The service knows how the performance of its people compares with other services and other organisations.	22.6	8.6	33.3	35.5
4.	SMART targets for improving the performance of its people have been set.	25.8	7.5	11.8	54.8
5.	The service has improved the performance of its people.	15.1	8.6	20.4	55.9

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*   sub-prompts excluded from the scoring are marked with an asterisk.

Criterion 7...We monitor and control our overall performance

		0	1	2	3
1.	The service has identified key performance measures for its goals and objectives.	9.7	9.7	24.7	55.9
2.	The service has accurate and up-to-date information on its performance against these measures.	14.0	10.8	18.3	57.0
3.	The service regularly monitors and reports these key measures.	22.6	14.0	16.1	47.3
4.	Performance reports are regularly provided to all key stakeholders.	38.7	12.9	18.3	30.1
5.	Action is taken to control performance at all levels in the service.	17.2	7.5	23.7	51.6

Based on two consecutive performance reports to decision-makers:

		0	1	2	3
6.	The key performance measures are clearly set out.	26.9	2.2	9.7	61.3
7.	The report enables the reader to make a judgement about service performance.	29.0	4.3	11.8	54.8
8.	The report enables the reader to assess whether performance is adequately controlled.	44.1	2.2	8.6	45.2
9.	The report sets out proposed actions to control/improve performance.	59.1	6.5	12.9	21.5
10.	Slippage in performance was identified quickly.	43.0	8.6	11.8	36.6
11.	Actions to control/improve performance were proposed quickly.	52.7	9.7	8.6	29.0
12.	The subsequent report indicated that the proposed actions had been taken.	71.0	6.5	5.4	17.2
13.	The reports were consistent in scope and coverage.	35.5	1.1	6.5	57.0

Criterion 8...We have sound financial control and reporting

		0	1	2	3
1.	The service has identified key financial performance measures.	5.4	3.2	18.3	73.1
2.	The service has accurate and up-to-date information on its financial performance.	2.2	0	12.9	84.9
3.	The key financial performance measures are regularly monitored and reported to senior managers/members.	5.4	3.2	12.9	78.5
4.	Financial performance reports are regularly provided to all budget-holders.	5.4	0	6.5	88.2
5.	Action is taken to control financial performance at all levels in the service.	6.5	5.4	6.5	81.7
6.	Where the service funds external organisations, the Code of Guidance 'Following the Public Pound' is followed.*	58.1	2.2	7.5	32.3

Based on two consecutive financial performance reports to decision-makers:

		0	1	2	3
7.	The key performance measures are clearly set out.	14.0	1.1	18.3	66.7
8.	The reports enable the reader to make a judgement about financial performance.	5.4	1.1	11.8	81.7
9.	The reports allow the reader to assess whether financial performance is being adequately controlled.	16.1	4.3	15.1	64.5
10.	The reports set out proposed actions to control financial performance.	45.2	8.6	9.7	36.6
11.	Slippage in financial performance was identified quickly.	14.0	0	10.8	75.3
12.	Actions to control/improve financial performance were proposed quickly.	41.9	7.5	9.7	40.9
13.	The subsequent report indicated that the proposed actions had been taken.	57.0	7.5	6.5	29.0
14.	The reports were consistent in scope and coverage.	2.2	0	3.2	94.6

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*   sub-prompts excluded from the scoring are marked with an asterisk.

Criterion 9...We actively support continuous improvement

		0	1	2	3
1.	The service has defined the key steps it needs to take to support continuous improvement.	5.4	3.2	10.8	80.6
2.	The service has made progress in implementing these steps.	5.4	5.4	34.4	54.8
3.	The service has a systematic approach to identifying and disseminating good practice.	14.0	8.6	17.2	60.2
4.	The service can highlight specific improvements made as result of adopting good practice.	12.9	5.4	11.8	69.9
5.	The service systematically collects and uses customer feedback to improve performance.	10.8	4.3	24.7	60.2
6.	The service has an agreed approach to benchmarking.	19.4	8.6	18.3	53.8
7.	The service has identified the key performance areas it needs to benchmark.	17.2	6.5	20.4	55.9

Based on a completed benchmarking exercise:

		0	1	2	3
8.	There was a clear rationale for selecting this area/activity for benchmarking.	31.2	0	4.3	64.5
9.	It was clear from the outset of the exercise what the key objectives of the exercise were.	38.7	0	1.1	60.2
10.	The resource requirements of the exercise were identified at the outset.	66.7	3.2	6.5	23.7
11.	The necessary resources were allocated to the exercise.	48.4	1.1	2.2	48.4
12.	There was a clear timetable set for the exercise.	50.5	1.1	5.4	43.0
13.	The exercise involved benchmarking key processes as well as benchmarking data.	57.0	3.2	0	39.8
14.	The benchmarking partners chosen included a range of organisations (public and private sector).	47.3	7.5	23.7	21.5
15.	The staff involved had the necessary skills to complete the exercise.	32.3	0	4.3	63.4
16.	The report recommended service improvements that could be implemented.	53.8	7.5	3.2	35.5
17.	The anticipated results have been achieved.	49.5	17.2	18.3	15.1
18.	The exercise was evaluated in terms of value for money.	83.9	5.4	3.2	7.5

Based on a completed best value review:

		0	1	2	3
19.	There was a clear rationale for selecting this area/activity for service review.	17.2	0	3.2	79.6
20.	A clear process was set out for conducting the review.	20.4	0	2.2	77.4
21.	The process was followed.	24.7	2.2	10.8	62.4
22.	The review considered:				
a.	whether the service should continue	51.6	6.5	8.6	33.3
b.	if so, the level and way in which it should continue	44.1	5.4	14.0	36.6
c.	who should deliver the service.	50.5	5.4	11.8	32.3
23.	The review considered service reconfiguring as an option.*	50.5	3.2	7.5	38.7
24.	The review assessed the performance of the service against its own performance standards and targets.	48.4	5.4	6.5	39.8
25.	The review assessed the competitiveness of the service against the same or similar services provided by other authorities and the voluntary private sectors.	37.6	7.5	20.4	34.4
26.	The review incorporated the views of service users and other stakeholders.	24.7	5.4	10.8	59.1
27.	The review process incorporated independent challenge of the review findings.	43.0	1.1	5.4	50.5
28.	Members were involved in the review process.	39.8	10.8	9.7	39.8
29.	The review recommendations were clearly set out and reported to members.	34.4	7.5	5.4	52.7
30.	The review recommendations were:adopted/modified/ rejected.*	5.4	1.1	3.2	46.2
31.	Clear time-scales and responsibilities for implementing the outcome of the review have been agreed.	40.9	9.7	6.5	43.0

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* sub-prompts excluded from the scoring are marked with an asterisk.

Annex 3 - Service-by-service comparisons

The following Exhibits illustrate the range of achievement by each group of like-services in addressing the nine PMP criteria audited in the first PMP audit.

Each Exhibit shows a 'box and whisker chart'. The 'box' contains the middle 50% of values for any one group of services[22]. The dark line through the box is the median value (which, by definition, divides the number of services in each group into two equal parts). The 'whiskers' illustrate the range (maximum and minimum) of achievement in each group of services.

Contextual narrative is used to describe the pattern shown in each Exhibit. In general terms:

- a **high median** suggests most services in the group are doing well
- a **low median** suggests that most services in the group are making only limited progress (pointing to scope for learning from services *outside* the group)
- a **wide range** suggests variability between similar services in different councils; some doing well whilst others are making only limited progress (pointing to scope for learning *within* the group)
- a **narrow range** points to consistency in progress between similar services in different councils; most may either be doing well or making limited progress (the latter indicating to scope for learning from services *outside* the group).

The two services making most progress in each service group have been identified for each criterion. Councils, professional associations, COSLA and Audit Scotland should use the analysis to consider what opportunities exist to share good practice. Audited services will have their own score and should therefore be able to see to what extent it can find better practice within similar services, or with other services. This should not deter the service from looking outside local government for examples of how it can improve.

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[22]   Known as the inter-quartile range.

Looking at the levels of achievement by service group across all of the PMP
audit criteria (taken together) it is apparent from Exhibit 23 that:

- the highest levels of individual service achievement (based on the maximum
  score) are in Finance and Social Work
- the median scores are noticeably higher for Housing and Leisure & Libraries
- the median score is noticeably lower for Environmental & Consumer
  Protection
- Technical Services, Planning & Economic Development and Environmental
  & Consumer Protection show most scope for improvement as groups
- there is a fairly compact distribution within Environmental & Consumer
  Protection.

Exhibit 23: **Range of achievement by service group for all criteria taken together**
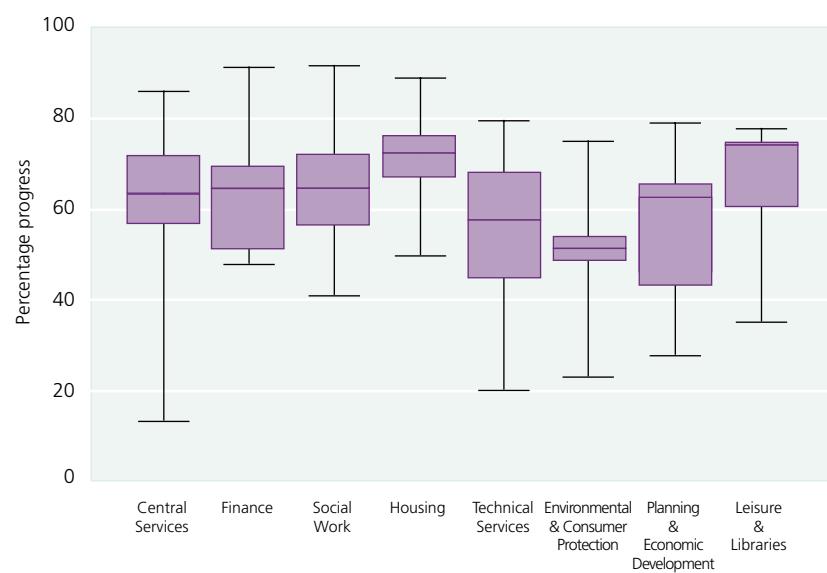
Looking at the levels of achievement by service group for criterion 1, it is apparent from Exhibit 24 that:

- the median levels are relatively high (c.70%) for Central Services, Finance, Social Work, Housing and Leisure & Libraries
- individual services in Finance and Social Work are doing particularly well
- Housing is consistently strong as a group
- a wide variation in achievement exists in Central Services, Finance, Social Work, Technical Services and Environmental & Consumer Protection
- there is generally a narrower range of achievement in Housing and Leisure & Libraries.

Exhibit 24: Range of achievement by service group for criterion 1... We understand the needs, expectations and priorities of all our stakeholders
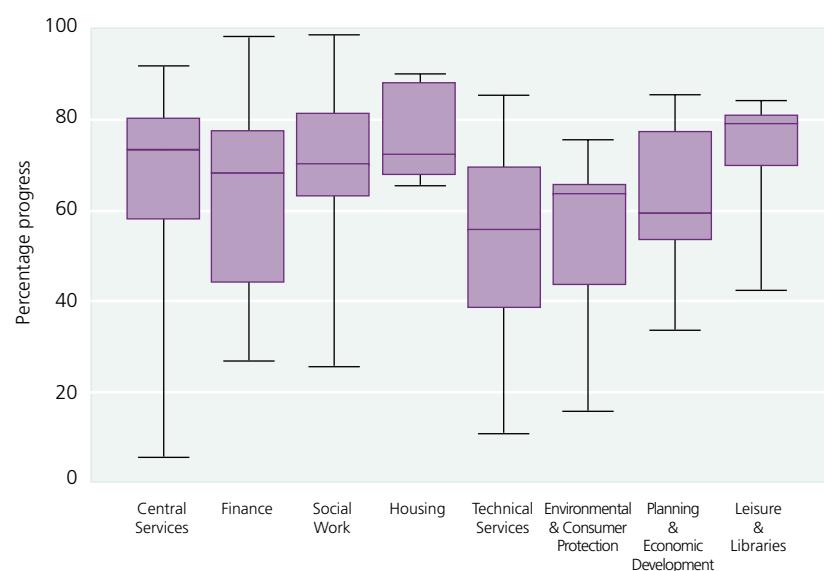

Service group	Services making most progress	Council
Central Support Services	Chief Executive's Services Corporate Services	Clackmannanshire Council Falkirk Council
Finance	Finance Finance (Accounting & Budgeting)	Comhairle Nan Eilan Siar Renfrewshire Council
Social Work	Criminal Justice Community Care	Clackmannanshire Council Renfrewshire Council
Housing	Housing Housing Management	South Ayrshire Council Renfrewshire Council
Technical & Former CCT Services	Building Cleaning DSO Catering Services	Stirling Council North Lanarkshire Council
Environmental & Consumer Protection	Food Safety Environmental Health	Highland Council East Dunbartonshire Council
Planning & Economic Development	Planning Economic Development & Planning	East Dunbartonshire Council Moray Council
Leisure & Libraries	Leisure & Cultural Services Libraries & Community Information	Perth & Kinross Council Dundee City Council

Looking at the levels of achievement by service group for criterion 2, it is apparent from Exhibit 25 that:

- a wide range of achievement exists within all service groups
- the median levels are particularly low (below 50%) for Finance, Technical Services, Environmental & Consumer Protection, Planning & Economic Development and Leisure & Libraries
- *individual* services in Finance, Social Work and Housing are doing particularly well
- there are services in every group making very limited progress
- Housing is strongest *as a group.*

Exhibit 25: Range of achievement by service group for criterion 2... We have decided on the best ways to meet these needs, expectations and priorities


Service group	Services making most progress	Council
Central Support Services	Legal Services Corporate Services	Inverclyde Council Falkirk Council
Finance	Finance Finance (Accounting & Budgeting)	West Dunbartonshire Council Renfrewshire Council
Social Work	Occupational Therapy Social Work	West Lothian Council Dundee City Council
Housing	Housing & Property Services Housing	North Lanarkshire Council City of Edinburgh Council
Technical & Former CCT Services	Infrastructure Services Waste Management	South Ayrshire Council City of Edinburgh Council
Environmental & Consumer Protection	Environmental Services Environmental Health	Comhairle Nan Eilan Siar West Dunbartonshire Council
Planning & Economic Development	Economic & Community Development Economic Development & Planning	Dumfries & Galloway Council Moray Council
Leisure & Libraries	Leisure Development Libraries & Community Information	City of Edinburgh Council Dundee City Council

Looking at the levels of achievement by service group for criterion 3, it is apparent from Exhibit 26 that:

- the median levels are high (above 70%) for most groups.
- a wide range of achievement exists within Central Services, Technical Services and Environmental & Consumer Protection
- there are narrower ranges of achievement in other services, particularly Finance
- *individual* services in Central Services, Technical Services and Environmental & Consumer Protection are making very limited progress.

Exhibit 26: Range of achievement by service group for criterion 3... We have detailed plans for achieving our goals
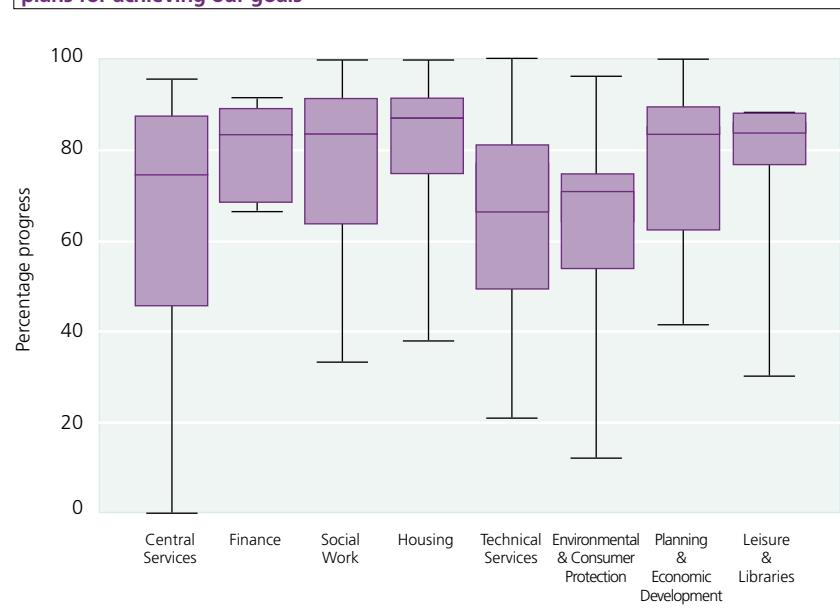

Service group	Services making most progress	Council
Central Support Services	Chief Executive's Services Personnel	Clackmannanshire Council Stirling Council
Finance	Finance Exchequer Services - Revenues	Comhairle Nan Eilan Siar Stirling Council
Social Work	Social Work Services to Older People Criminal Justice	South Lanarkshire Council Clackmannanshire Council
Housing	Property Repairs Sheltered Housing	East Ayrshire Council Argyll & Bute Council
Technical & Former CCT Services	Catering Services Planning & Transport	North Lanarkshire Council Angus Council
Environmental & Consumer Protection	Environmental Health Consumer Protection	South Lanarkshire Council Aberdeen City Council
Planning & Economic Development	Development Control Economic Development	West Lothian Council Inverclyde Council
Leisure & Libraries	Leisure Development Libraries & Community Information	City of Edinburgh Council Dundee City Council

Looking at the levels of achievement by service group for criterion 4, it is apparent from Exhibit 27 that:

- a wide range of achievement exists within all groups
- *individual* services in Finance, Social Work, Technical Services, Planning & Economic Development and Leisure & Libraries are doing well
- *individual* services in all groups are making only limited progress
- other than Social Work and Planning & Economic Development, the median levels are generally low (below 50%).

Exhibit 27: Range of achievement by service group for criterion 4… Our plans are clearly based on the resources we have available
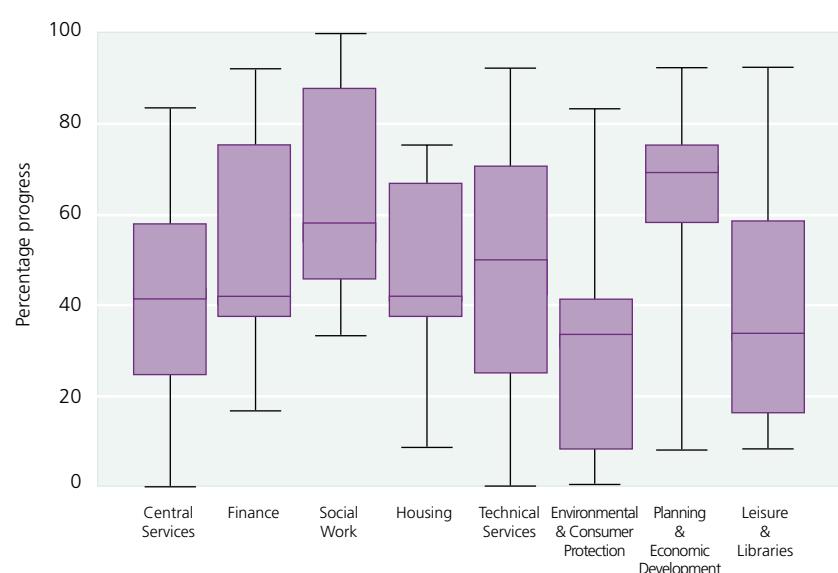

Service group	Services making most progress	Council
Central Support Services	Chief Executive's Services Personnel	Clackmannanshire Council East Lothian Council
Finance	Finance (Accounting & Budgeting Creditor Payments	Renfrewshire Council Dumfries & Galloway Council
Social Work	Criminal Justice Criminal Justice	East Dunbartonshire Council North Ayrshire Council
Housing	Sheltered Housing Housing & Property Services	Argyll & Bute Council North Lanarkshire Council
Technical & Former CCT Services	Technical Services Grounds Maintenance	Orkney Islands Council West Dunbartonshire Council
Environmental & Consumer Protection	Environmental Health Environmental Health	East Dunbartonshire Council West Dunbartonshire Council
Planning & Economic Development	Economic & Community Development Economic Development	Dumfries & Galloway Council Inverclyde Council
Leisure & Libraries	Cultural & Leisure Services Libraries & Community Information	Glasgow City Council Dundee City Council

Looking at the levels of achievement by service group for criterion 5, it is apparent from Exhibit 28 that:

■ the median levels are high (above 70%) in Finance, Social Work, Housing, Technical Services and Leisure & Libraries

■ the median levels are lower (c.50%) in Environmental & Consumer Protection and Planning & Economic Development

■ a wide range of achievement exists within Central Services, Finance and Social Work

■ *individual* services in Central Services, Finance, Social Work, Housing and Technical Services are doing well

■ *individual* services in most groups are making only limited progress.

Exhibit 28: Range of achievement by service group for criterion 5... We make best use of our available resources
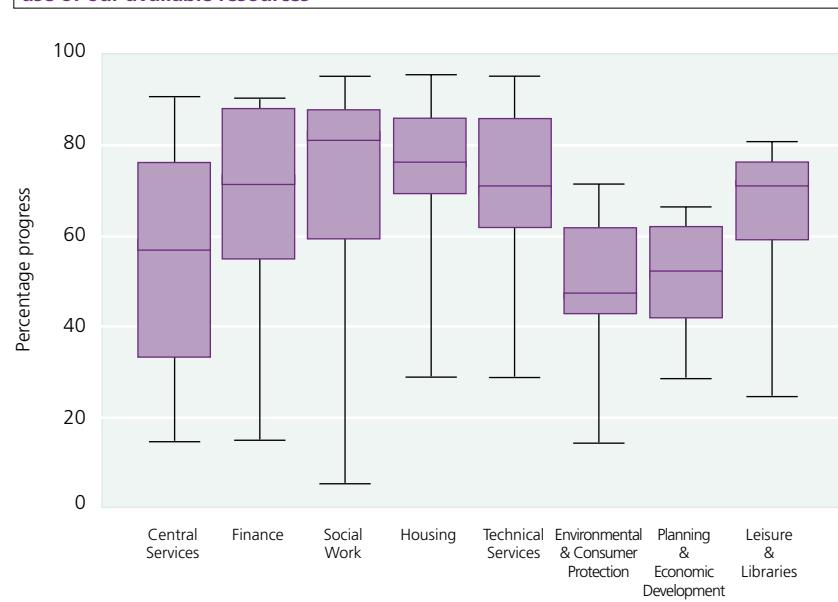

Service group	Services making most progress	Council
Central Support Services	Community Resources Chief Executive's Services	East Renfrewshire Council Clackmannanshire Council
Finance	Financial Services Finance (Accounting & Budgeting)	Glasgow City Council Renfrewshire Council
Social Work	Criminal Justice Community Care	Clackmannanshire Council Renfrewshire Council
Housing	Housing Housing Management	East Renfrewshire Council Renfrewshire Council
Technical & Former CCT Services	Catering Services Technical Services	North Lanarkshire Council Orkney Islands Council
Environmental & Consumer Protection	Environmental & Consumer Protection Environmental Health	Angus Council West Dunbartonshire Council
Planning & Economic Development	Economic Development & Planning Planning & Development	Moray Council Perth & Kinross Council
Leisure & Libraries	Libraries & Community Information Leisure & Cultural Services	Dundee City Council Perth & Kinross Council

Looking at the levels of achievement by service group for criterion 6, it is apparent from Exhibit 29 that:

- the median levels are high (largely above 70%) for all services
- a particularly wide range of achievement exists within Central Services and Planning & Economic Development
- *individual* services in all groups are doing well
- *individual* services in Central Services, Technical Services, Environmental & Consumer Protection and Planning & Economic Development are struggling.

Exhibit 29: Range of achievement by service group for criterion 6... We make best use of our people


Service group	Services making most progress	Council
Central Support Services	Corporate Services Chief Executive's Services	Falkirk Council Clackmannanshire Council
Finance	Financial Services Finance (Accounting & Budgeting)	Glasgow City Council Renfrewshire Council
Social Work	Social Work Services to Older People Community Care	South Lanarkshire Council Renfrewshire Council
Housing	Housing Housing Management	East Renfrewshire Council Renfrewshire Council
Technical & Former CCT Services	Technical Services Direct & Care Services	Orkney Islands Council Glasgow City Council
Environmental & Consumer Protection	Environmental Services Environmental Protection	Comhairle Nan Eilan Siar Moray Council
Planning & Economic Development	Economic Development Economic Development & Planning	Inverclyde Council Moray Council
Leisure & Libraries	Leisure Development Leisure & Cultural Services	City of Edinburgh Council Perth & Kinross Council

Looking at the levels of achievement by service group for criterion 7, it is apparent from Exhibit 30 that:

- the median levels are around 70% in Finance, Housing and Environmental & Consumer Protection, but considerably lower in other groups
- a wide range of achievement exists within all groups
- *individual* services in all groups are doing well
- *individual* services in all groups are making only limited progress.

Exhibit 30: Range of achievement by service group for criterion 7... We monitor and control our overall performance
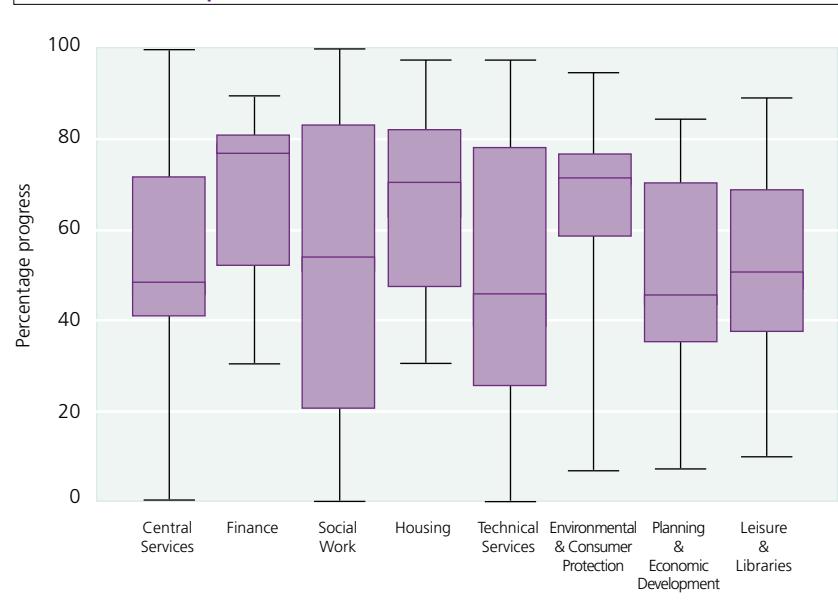

Service group	Services making most progress	Council
Central Support Services	Corporate Services Chief Executive's Services	Falkirk Council Clackmannanshire Council
Finance	Creditor Payments Finance	Dumfries & Galloway Council West Dunbartonshire Council
Social Work	Residential Homes for Older People Criminal Justice	Midlothian Council Clackmannanshire Council
Housing	Housing Housing & Property Services	South Lanarkshire Council North Lanarkshire Council
Technical & Former CCT Services	Roads, Transport & Architectural Services Technical Services	Perth & Kinross Council Orkney Islands Council
Environmental & Consumer Protection	Food Safety Environmental Health	Highland Council South Lanarkshire Council
Planning & Economic Development	Economic Development & Planning Development Control	Moray Council West Lothian Council
Leisure & Libraries	Cultural & Leisure Services Leisure & Cultural Services	Glasgow City Council Perth & Kinross Council

Looking at the levels of achievement by service group for criterion 8, it is apparent from Exhibit 31 that:

- the median levels are around 75% or above in all services
- a wide range of achievement exists in some groups, particularly Environmental & Consumer Protection
- *individual* services in all groups are doing well
- *individual* services in Central Services, Technical Services, Environmental & Consumer Protection, Planning & Economic Development and Leisure & Libraries are making only limited progress.

Exhibit 31: Range of achievement by service group for criterion 8... We have sound financial control and reporting
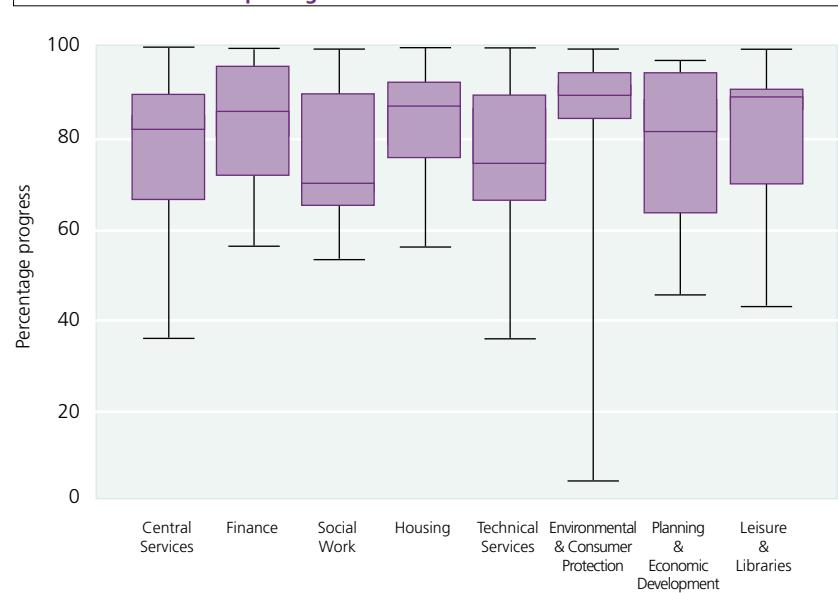
Service group	Services making most progress	Council
Central Support Services	Council Service Points Chief Executive's Services	Highland Council Clackmannanshire Council
Finance	Finance Exchequer Services - Revenues	Comhairle Nan Eilan Siar Stirling Council
Social Work	Social Work Social Work Services to Older People	Falkirk Council South Lanarkshire Council
Housing	Housing Housing & Property Services	South Lanarkshire Council North Lanarkshire Council
Technical & Former CCT Services	Direct & Care Services Roads, Transport & Architectural Services	Glasgow City Council Perth & Kinross Council
Environmental & Consumer Protection	Environmental Protection Environmental Health	Moray Council South Lanarkshire Council
Planning & Economic Development	Planning Economic Development & Planning	East Dunbartonshire Council Moray Council
Leisure & Libraries	Cultural & Leisure Services Community Services	Glasgow City Council Fife Council

Looking at the levels of achievement by service group for criterion 9, it is apparent from Exhibit 32 that:

- a wide range of achievement exists in all groups
- *individual* services in all groups are doing well
- *individual* services in most groups are making only limited progress,
- the median levels are:
  - around 70% or above in Central Services, Housing and Leisure & Libraries
  - less than 40% in Environmental & Consumer Protection.

Exhibit 32: Range of achievement by service group for criterion 9... We actively support continuous improvement
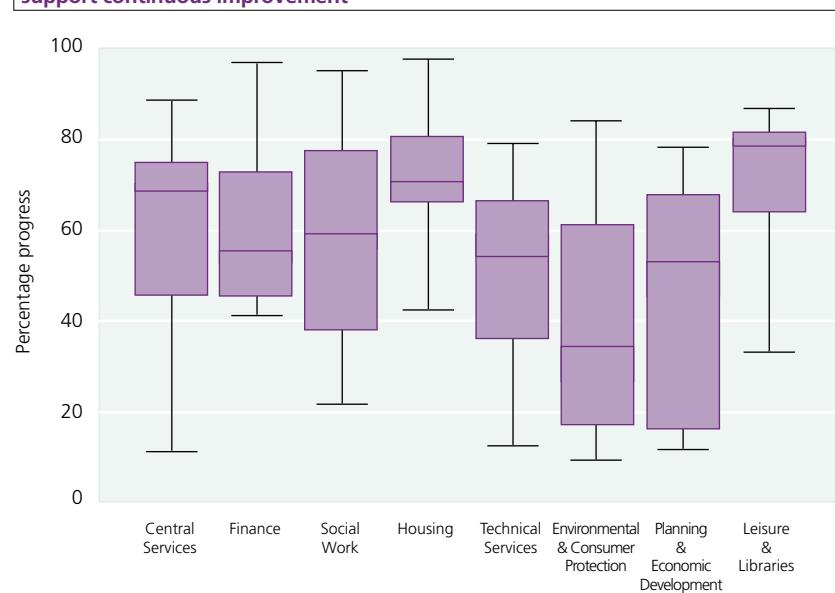
Service group	Services making most progress	Council
Central Support Services	Legal Services Corporate Services	Inverclyde Council Falkirk Council
Finance	Finance Finance (Accounting & Budgeting)	West Dunbartonshire Council Renfrewshire Council
Social Work	Social Work Community Care	Dundee City Council Renfrewshire Council
Housing	Housing & Property Services Housing Management	North Lanarkshire Council Renfrewshire Council
Technical & Former CCT Services	Direct & Care Services Property Services	Glasgow City Council West Lothian Council
Environmental & Consumer Protection	Environmental Services Environmental Health	Comhairle Nan Eilan Siar West Dunbartonshire Council
Planning & Economic Development	Planning & Development Economic Development & Planning	Perth & Kinross Council Moray Council
Leisure & Libraries	Leisure Development Leisure & Cultural Services	City of Edinburgh Council Perth & Kinross Council

The Management Studies Unit

Alan Neilson, Head of Unit
Tel. 0131 624 9936
Email: aneilson@audit-scot.gov.uk

Derek Stewart
Tel. 0131 624 9938
Email: dstewart@audit-scot.gov.uk

Mik Wisniewski
Tel. 0131 624 9937
Email: mwisniewski@audit-scot.gov.uk

The Management Studies Unit Mission

We aim to be a centre of excellence for encouraging continuous improvement in the management of Scottish councils.

We will achieve this through the audit of management arrangements and by promoting good practice.

We will be customer-driven, innovative and work in partnership with councils, auditors and other bodies.

We aim to ensure that we have the skills and knowledge necessary to achieve this.

Other MSU publications include:

Managing people: a self-assessment guide

Assess yourself: using self-assessment for performance improvement

Planning for success: a review of the audit of management arrangements in Scottish councils (1998)

The measures of success: developing a balanced scorecard to measure performance

Measuring up to the best: a manager's guide to benchmarking

Getting to know you: building and using an information portfolio – a guide for service managers

Shorten the odds: a guide to understanding and managing risk

Can't get no satisfaction? Using a gap approach to measure service quality

The map to success: using process mapping to improve performance

Accounts Commission