

PERFORMANCE AUDIT

PERFORMANCE INFORMATION FOR SCOTTISH COUNCILS

# Council profiles 2000/2001

Comparing the performance of Scottish councils



## 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.

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### The Commission has also published:

- a comprehensive compendium of the information for all the services for which there are performance indicators
- a series of seven pamphlets, covering:
  - Benefits, Finance and Corporate issues
  - Education services
  - Environmental and Regulatory services
  - Fire and Police services
  - Housing services
  - Leisure and Libraries
  - Social work services

Each of these reports is available from Audit Scotland or may be downloaded from our website at: [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)

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## **Preface**

This series of council profiles provides a summary of a wide range of performance information for each of Scotland's councils. The profiles highlight change over time, challenge councils to compare their performance with that of others – a fundamental tenet of the Best Value regime – and provide a further piece in the jigsaw for holding councils to account for their performance.

I hope that the profiles will be useful to council managers and councillors. Clearly, it would not be appropriate to make a judgement as to whether a particular council was better or less well managed than another council, based on the profiles alone. However, the profiles do throw some light onto performance issues.

The Commission will continue to work with all interested bodies to develop the performance information it requires local authorities to publish and to ensure that it is published in ways that make it useful to a range of audiences.

Work undertaken by Audit Scotland staff in partnership with the Society of Local Authority Chief Executives, the Convention of Scottish Local Authorities, and the Scottish Executive has helped in the development of these profiles. I would like to take this opportunity, on behalf of the Commission, to thank them for their contributions to this work.

Alastair MacNish

Chairman

Accounts Commission for Scotland



# Section 1 Introduction

## Background

This report summarises information on council performance for use by council chief executives and senior officers, and other people interested in council performance. It has been produced by Audit Scotland on behalf of the Accounts Commission.

All the information included has been published previously, but it is presented here in the form of a profile of each council that shows trends in performance against the statutory performance indicators specified by the Accounts Commission, together with a range of additional information.

The main value of the profiles lies in the questions they generate about the management of services in the future, as investigating factors underlying trends can help to improve performance.

We are grateful for the assistance of the following in the development of these profiles:

- the Joint Performance Information Review Group<sup>1</sup>
- council chief executives
- council performance information co-ordinators.

The remainder of the report is set out as follows:

- **Section 1** introduces the approach to the profiles. It covers details of the way in which the performance information and additional information from other Audit Scotland, inspectorate and Local Government Ombudsman publications are used in the Profiles. It also shows details of a number of pieces of contextual information given about each council's area
- **Section 2** contains a profile for each council, with measures drawn from the PIs for the financial years 1998/1999, 1999/2000 and 2000/2001; there is also a page of additional information for each council
- **Section 3** contains profiles on an indicator-by-indicator basis
- **Appendix** contains contact details.

## Statutory performance indicators

The Accounts Commission has a statutory responsibility<sup>2</sup> to specify information that councils must publish about their performance, in the form of statutory performance indicators (PIs). Councils are required to publish the information locally in a newspaper, and the Commission then publishes a compendium of all the data and a series of service-specific pamphlets, setting out the comparative performance of councils across Scotland.

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1. The Joint Performance Information Review Group (JPIRG) comprises representatives of the Convention of Scottish Local Authorities, the Society of Local Authority Chief Executives, the Scottish Executive and Audit Scotland.

2. 'The Local Government Act 1992'.

New indicators are developed following wide-ranging consultation that involves councils, professional associations, the Convention of Scottish Local Authorities (COSLA), various Scottish Executive groups, inspectorates and other interested parties.

Performance information is increasingly important both to council managers for performance review, and to others for holding a council to account. PIs:

- help council managers to see whether services are improving or deteriorating, so that action can be taken to make changes
- help councillors to fulfil their scrutiny role
- help others to hold a council to account for its work
- are used for measuring and benchmarking performance locally.

The PIs cover all the main services in all councils but they are only one element – albeit a significant one – in a larger performance assessment jigsaw.

Several factors affect the way a council performs its activities. It is necessary to be aware of these in order to understand why results may vary. Some factors are outwith the control of the council – for example, the level of deprivation and the mix between urban and rural settlements. Other factors may be specific to a particular service or to the groups of people it serves.

**These local factors may mean that a council with a performance which, at first sight, appears to be worse than that of another has, in fact, done better given the circumstances it faces.**

#### **PI measures included in the profiles**

Over the summer of 2000, we consulted widely on the future development of the PIs and, in particular, on the criteria to be used in future years when determining what indicators to include in the Commission's annual Direction. As a result of that consultation process, it was agreed that:

- indicators should, where possible, be **output or outcome** focused – ie concentrate on what the service delivers. These should be balanced with economy/efficiency indicators to allow a rounded view of how well services are managed
- it should be generally agreed whether **a change in performance reflects an improvement or a decline**, eg a shorter time to process planning applications is an improvement, as is a higher percentage of food hygiene inspections completed within the target times; but a higher average number of weeks taken to complete an assessment of special educational needs is a decline in performance
- indicators should refer to **nationally set or agreed targets or standards**, rather than local ones. This means that comparison between councils can be made on a more like-for-like basis. Councils' local targets, and their performance in meeting them, should now be included in local public performance reports (PPRs).

The principle followed is that all the council-related PIs are represented in the profiles unless they fail to comply with these criteria. However, we have also excluded a small number of PIs:

- that measure very small differences between councils at the margin of national standards (eg the proportion of primary classes with more than 33 pupils)



- where the incidence of problems is generally very low, eg missed refuse collections
- that cover small numbers of incidents of an occurrence affecting a few councils (eg findings of maladministration).

In all, the profiles contain a total of 73 measures. Information on the full range of PIs specified by the Accounts Commission can be found on the Audit Scotland Internet site at [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)

### **Ranking**

Within the data tables for each indicator, councils are ranked 1 to 32 on their performance against each measure in 2000/2001. Councils in the top quarter, ie ranked 1 to 8 inclusive, are identified with a tick (✓) in the ranking column. Conversely, councils in the bottom quarter, ranked from 25 to 32, are highlighted with a cross (X).

Where, for example, three councils are rated 'first equal', the next best performing council is given a rank of 4. Similarly, where two councils have a rank of 15, the next best performing council is ranked 17.

However, not all councils have a rank for each measure because some did not submit a complete data return ('failure to report' or 'no service'). Consequently, councils are ranked 1 to 32 for most measures but there are cases where, for example, the poorest performing council may be ranked 30 because two councils did not return data.

Family groups have been developed in consultation with councils and professional bodies for six measures:

- Environmental services – refuse:
  - the gross cost of refuse collection per property
  - the gross cost of refuse disposal per property
- Finance – council tax:
  - the gross cost of collecting council tax per chargeable dwelling
  - the percentage of council tax income due for the year that was collected in the year
- Housing – rent arrears:
  - current tenants' arrears as a percentage of the net amount of rent due in the year
  - the percentage of current tenants owing more than 13 weeks' rent at year end, excluding those owing less than £250.

In Section 3, the indicator-by-indicator tables report data within these family groups, without an all-Scotland ranking.

### **Change over time – councils**

The profiles highlight the extent to which councils recorded a significant decline or improvement in their actual recorded level of performance over the three years between 1998/1999 and 2000/2001.

Not all measures were applicable throughout this period because some PIs have been deleted, some have been modified and a number of new PIs have been introduced.

Of the 73 measures in the profiles:

- 33 are the same as in 1998/99
- 55 are the same as in 1999/2000
- 18 are either new or modified for 2000/2001

For each council, change in performance is measured as an improvement or decline relative to the performance level in 1998/1999. For example, a council that collected 88% of council tax income due in 2000/2001, within that year, compared to 80% in 1998/1999, would be recorded as a 10% improvement.

We report performance change in the following bands:

- between 5% and less than 10% (shown in data tables as 5-9%)
- between 10% and less than 15% (shown in data tables as 10-14%)
- 15% or more (shown in data tables as >15%).

In Section 2, a tick against the highest applicable band shows an improvement. For example, where performance improved by 11.5%, then a tick is shown in the column for 10-14%. If performance declined a cross is shown instead of a tick. Changes of less than +/- 5% are not highlighted.

Across Scotland, each council saw its performance improve on some measures and decline on others (Exhibit 1).

**Exhibit 1: Profile measures – significant changes in performance: council by council**

Band	Performance change between 1998/99 and 2000/2001								Ratio of improvement to decline
	Measures that declined by...				Measures that improved by...				
	>15%	10 - 14%	5 - 9%	Total	5 - 9%	10 - 14%	>15%	Total	
Aberdeen City	4	4	-	8	5	2	8	15	1.9
Aberdeenshire	5	-	1	6	2	2	7	11	1.8
Angus	6	1	3	10	5	-	5	10	1.0
Argyll & Bute	6	1	1	8	2	3	8	13	1.6
Clackmannanshire	7	1	5	13	2	1	4	7	0.5
Dumfries & Galloway	2	2	2	6	7	1	6	14	2.3
Dundee City	6	-	-	6	2	2	7	11	1.8
East Ayrshire	8	1	2	11	1	-	5	6	0.5
East Dunbartonshire	4	-	1	5	-	4	8	12	2.4
East Lothian	8	-	4	12	3	-	4	7	0.6
East Renfrewshire	1	2	2	5	1	3	8	12	2.4
City of Edinburgh	7	1	1	9	3	1	6	10	1.1
Eilean Siar	6	3	1	10	3	-	4	7	0.7
Falkirk	6	3	3	12	2	-	6	8	0.7
Fife	5	1	-	6	3	1	8	12	2.0
Glasgow City	4	3	-	7	3	1	10	14	2.0
Highland	6	1	1	8	3	2	4	9	1.1
Inverclyde	5	-	1	6	6	1	7	14	2.3
Midlothian	7	1	6	14	1	1	4	6	0.4
Moray	4	-	2	6	2	3	8	13	2.2
North Ayrshire	4	1	2	7	2	1	9	12	1.7
North Lanarkshire	4	5	3	12	5	-	7	12	1.0
Orkney Islands	2	2	2	6	2	-	4	6	1.0
Perth & Kinross	5	2	2	9	3	2	9	14	1.6
Renfrewshire	2	-	2	4	6	2	5	13	3.3
The Scottish Borders	3	4	1	8	1	1	5	7	0.9
Shetland Islands	5	1	2	8	1	1	8	10	1.3
South Ayrshire	4	3	1	8	1	2	12	15	1.9
South Lanarkshire	2	2	2	6	4	3	8	15	2.5
Stirling	7	3	4	14	1	2	8	11	0.8
West Dunbartonshire	7	2	-	9	4	-	6	10	1.1
West Lothian	2	1	1	4	4	3	9	16	4.0
<b>Scotland - average</b>	<b>4.8</b>	<b>1.6</b>	<b>1.8</b>		<b>2.8</b>	<b>1.4</b>	<b>6.8</b>		
<b>Scotland - total</b>				<b>263</b>				<b>352</b>	<b>1.3</b>

The table excludes measures where performance changed by less than 5%.

Source: Audit Scotland

Overall, the average number of measures on which councils' performance significantly improved or declined was as follows:

- improved by 15% or more – an average of 6.8 measures per council
- improved by 10-14% – an average of 1.4 measures per council
- improved by 5-9% – an average of 2.8 measures per council
- declined by 5-9% – an average of 1.8 measures per council
- declined by 10-14% – an average of 1.6 measures per council
- declined by 15% or more – an average of 4.8 measures per council .

The analysis shows a small overall net gain over the three years, with 352 identified improvements set against 263 identified deteriorations, a ratio of just over 1.3 to 1.

There were, however, wide variations in the extent to which individual councils reported improvements or deteriorations in performance. Ten councils (Dumfries & Galloway, East Dunbartonshire, East Renfrewshire, Fife, Glasgow City, Inverclyde, Moray, Renfrewshire, South Lanarkshire and West Lothian) each reported that the number of indicators that improved was at least twice the number that declined (ie an improvement to deterioration ratio of at least 2 to 1). Eight councils (Clackmannanshire, East Ayrshire, East Lothian, Eilean Siar, Falkirk, Midlothian, Scottish Borders and Stirling) reported a greater number of indicators showing deterioration in performance over the three years than showing improvement.

For each council it is necessary to consider the information on improvement or deterioration in relation to how well it is doing in comparison with other councils. Some councils have a high proportion of indicators in the top quartile of performance. These councils might have less scope to make significant improvements across a range of indicators than councils with a higher proportion of relatively poor performance results. Therefore, in Section 2, the analysis of indicators for each council shows both the indicators where change has occurred and the relative ranking of the council in comparison with other councils' performance.

#### **Data quality and completeness**

There are a few instances where a council did not provide a particular service and therefore did not report a corresponding PI measurement. This is shown as NS (no service) in the tables.

For services that were provided, the PI data reported by each council may be qualified by its external auditor in one of two ways. Firstly, where a council failed to report specific items of data, relevant cells within tables are marked FTR (failure to report).

Secondly, the external auditor may have expressed reservations about the council's arrangements for producing reliable performance information. In such cases, the relevant reported numbers are underlined within data tables, eg 98%.

#### **Council publication of performance information**

In accordance with the requirements of the Local Government Act 1992, amended by the Audit (Miscellaneous Provisions) Act 1996, each council must publish its performance information by 30 September in the following financial year, either

- in a newspaper printed for sale and circulating in their area
- in a newspaper or periodical publication which is produced and published by another person (other than a local authority company) and which is free of charge to the recipient.

There were four councils that failed to meet this statutory requirement for their 2000/2001 information. Three of these councils published their information in accordance with the requirements but at later dates. These were:

- Argyll & Bute Council – published on 4 October 2001
- Comhairle Nan Eilean Siar – published on 18 October 2001
- Shetland Islands – published on 7 December 2001.

Perth & Kinross Council did not meet the statutory obligation to publish its performance information in one of the specified forms. A number of councils, including Perth & Kinross, published the information in their own 'in-house' publications. Nevertheless, the decision by Perth & Kinross Council not to meet a statutory obligation placed upon it is a matter of some concern.

### **Strike action and Foot & Mouth disease**

Some services were disrupted during 2000/2001 by strike action and by the outbreak of foot & mouth disease. The following councils have indicated that, for the services shown below, their performance may have been affected.

#### **Strike action:**

Benefits administration	City of Edinburgh, East Dunbartonshire, Fife, Inverclyde, West Dunbartonshire
Building control	City of Edinburgh, East Renfrewshire, West Dunbartonshire
Corporate issues	West Dunbartonshire
Environmental health	West Dunbartonshire
Environmental services	Clackmannanshire, Inverclyde, Midlothian, Perth & Kinross, West Lothian
Finance	Argyll & Bute, City of Edinburgh, East Dunbartonshire, East Renfrewshire, Eilean Siar, Fife, Inverclyde, North Ayrshire, Highland, West Dunbartonshire, West Lothian.
Housing	Aberdeen, City of Edinburgh, East Dunbartonshire, Eilean Siar, Fife, Inverclyde, South Ayrshire, West Dunbartonshire.
Leisure services	East Renfrewshire, South Ayrshire
Libraries	East Dunbartonshire, Fife
Planning	City of Edinburgh, East Dunbartonshire, East Renfrewshire, West Dunbartonshire
Trading standards	Aberdeenshire, Falkirk, West Dunbartonshire

#### **Foot & Mouth disease:**

Environmental health	Argyll & Bute, East Ayrshire
Environmental services	Inverclyde
Trading standards	Argyll & Bute, East Ayrshire, East Dunbartonshire, North Ayrshire, Perth & Kinross

### **Additional Information**

As well as statutory performance information, the profiles contain details of reports and information published or available from:

- Audit Scotland / Accounts Commission
- Inspectorates
- The Local Government Ombudsman

Summaries of these for all councils are given in the following pages and information on each council is shown in Section 2. Each council profile also carries some contextual information covering:

- the total resident population – from the General Register Office for Scotland’s (GROS) mid-year estimates for 2000<sup>3</sup>
- the number of households – from the Scottish Executive Housing Department’s mid-year estimates 1999<sup>4</sup>
- Grant-Aided Expenditure (GAE), for the financial year 2001/2002 – from ‘*Grant Aided Expenditure 2001-02*’, Scottish Executive Development Department, 2000
- Council Tax charge for Band ‘D’, for the financial year 2001/2002 – from data collated by the Scottish Parliament Information Centre (SPICe)<sup>5</sup>.

### **Accounts Commission reports**

The profiles contain information for the period April 2000 to December 2001 relating to:

- Accounts Commission statutory reports
- Qualifications on councils’ final accounts
- Performance management and planning audits
- Value for money studies.

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3. ‘*Mid-year estimates of population - June 2000*’, Table 5, General Register Office for Scotland (GROS). Further information is available on the Internet at [www.gro-scotland.gov.uk](http://www.gro-scotland.gov.uk)

4. ‘*Mid-year household estimates - 1999*’, Scottish Executive Housing Department. Further information is available on the Internet at [www.scotland.gov.uk/housing/harg](http://www.scotland.gov.uk/housing/harg)

5. ‘*Council tax levels*’, SPICe research note, 15 March 2001. Further information is available on the Internet at [www.scottish.parliament.uk](http://www.scottish.parliament.uk)

## Statutory reports

The Controller of Audit is required to submit statutory reports to the Accounts Commission<sup>6</sup> on any matters they require with respect to the accounts of a council. Similarly, the Controller may choose to submit reports to the Commission on any matters in connection with a council's accounts. Exhibit 2 lists the Commission's statutory reports published between April 2000 and December 2001.

### Exhibit 2: Statutory reports between April 2000 and December 2001

Reports are listed in date order.

Date	Report	Council	Report title
May 2000	2000/04	Inverclyde	Comments on Inverclyde Council's formal response to Statutory Report 2000/2
Jul 2000	2000/05	Dumfries & Galloway	The externalisation of residential homes for older people
Jan 2001	2001/1	Inverclyde	Progress report on Inverclyde council
April 2001	2001/2	All councils	Overview report of the 1999/2000 local authority audits
May 2001	2001/3	Inverclyde	Progress report on Inverclyde council
October 2001	2001/4	Scottish Borders	Education Department Overspend

Source: Audit Scotland

## Qualification on councils' final accounts

Local authorities are legally required to submit their accounts for audit by 30 June each year. All councils submitted their 2000/2001 accounts to their appointed auditors by the specified date.

Following the audit, the external auditor is required to place a certificate on the accounts specifying whether, in his or her opinion, the accounts fairly present the financial position of the authority.

Generally the accounts of a council may be qualified for one of two reasons:

- where there has been a limitation in the scope of the information made available to the auditor, or
- where the auditor disagrees with the treatment or disclosure of a matter in the council's financial statement

and, in the auditor's judgement, the effect of the matter may be material to the financial statements. Councils are required to comply with the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC.

Of the 28 sets of 2000/2001 audited accounts that councils' appointed auditors had submitted to the Controller of Audit by the date of this report, two were qualified. Details of the qualifications are given below:

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6. 'Local Government (Scotland) Act 1973'.

- **Inverclyde Council:** qualified due to £13.5 million being borrowed in advance of need, outwith the council's borrowing powers, and unexplained differences arising from accounting reconciliations.
- **Shetland Islands Council:** qualified due to disagreement about the way in which the council had accounted for a property transaction in a previous year.

### Performance management and planning audits

Best Value was introduced in Scotland in 1997. It requires councils to provide high quality services that meet the needs of their customers and communities, and achieve value for money. Councils must also demonstrate that they are accountable and delivering continuous improvement. The Scottish Executive is expected to introduce legislation in Spring 2002 that will place a statutory duty on councils to deliver Best Value.

The Accounts Commission's Performance Management and Planning (PMP) audit examines the extent to which councils have put in place the management arrangements required to support Best Value. For 2000/2001, the second year of the PMP audit, each council selected three services for the PMP audit. There was also a corporate PMP audit. The corporate audit looked at the council's approach to supporting and monitoring the development of Best Value across the council's services. The service audit concentrated on the application of performance management and planning arrangements in practice. The PMP audit requires councils to self-assess themselves against a number of questions grouped under the criteria that are set out in Exhibit 3.

#### Exhibit 3: PMP2 audit criteria

The four corporate audit and ten service audit criteria cover key aspects of a council's management arrangements to support Best Value.

PMP2 service criteria	PMP2 corporate criteria
<ul style="list-style-type: none"> <li>• Clear leadership for a Best Value approach is provided by elected members, the service head and the senior management team.</li> </ul>	<ul style="list-style-type: none"> <li>• Clear leadership for a Best Value approach is provided by elected members, the Chief Executive and the senior management team.</li> </ul>
<ul style="list-style-type: none"> <li>• Services understand and respond to the needs, expectations and priorities of all their stakeholders (effective consultation).</li> <li>• Services have detailed and realistic plans for achieving their goals</li> </ul>	<ul style="list-style-type: none"> <li>• Councils have an effective corporate framework for planning and budgeting.</li> </ul>
<ul style="list-style-type: none"> <li>• Services carry out effective Best Value reviews.</li> <li>• Services make best use of their people.</li> <li>• Services make best use of their assets.</li> <li>• Services actively support continuous improvement.</li> </ul>	<ul style="list-style-type: none"> <li>• Councils manage Best Value reviews effectively.</li> </ul>
<ul style="list-style-type: none"> <li>• Services have sound financial control and reporting arrangements.</li> <li>• Services monitor and control their overall performance.</li> </ul>	
<ul style="list-style-type: none"> <li>• Services have an effective approach to public performance reporting.</li> </ul>	<ul style="list-style-type: none"> <li>• Councils have an effective approach to public performance reporting.</li> </ul>

Appointed auditors validated the self-assessments and agreed with each council what improvements would be made to the service and corporate PMP frameworks. Auditors also reviewed what progress had been made by the services that had had a PMP audit in the previous year.



The performance of some council services is also reviewed by statutory inspectorates. Audit Scotland works closely with the inspectorates for fire, police and education services to agree joint methodologies and to reduce the risk of duplication.

The Accounts Commission published a progress report in December 2001 (*Making Progress with Best Value*) that provided a snapshot of councils' performance management and planning arrangements, based on the PMP2 audit. The key findings from the audit are set out below.

### **Progress made by services audited in 1999/00**

Ninety-six services were audited in 1999/00 (PMP1), and each service agreed with its auditor a set of actions to improve arrangements for performance management and planning. One year on, a third of services had substantially completed their improvements.

Half of the PMP1 services had made less progress in completing improvement actions than they had anticipated and but had plans in place to recover from the slippage. A fifth of services had made little or no progress with their improvements and had no recovery plans in place

The findings on progress made with improvement actions should be interpreted with care. Services varied widely in how ambitious their improvement actions were in terms of both number and level of challenge. A high level of completion may reflect fairly easy targets, whereas a low level may mean that a service set over-ambitious targets. In addition, staff vacancies, organisational changes, and/or the re-prioritisation of resources may have affected the level of progress made. Some services will have made further progress since the audit was carried out. The 2001/02 audit (PMP3) will continue to monitor developments in PMP1 services.

### **Findings from Year 2 of the PMP audit**

A further 95<sup>7</sup> services were audited in 2000/01, together with a corporate audit in each council.. Overall, the evidence suggests that councils and services are making progress in implementing sound performance, management and planning arrangements to support Best Value.

About half of councils and two fifths of audited services had a good number of the elements of effective performance management and planning arrangements in place, with a small number reaching a significant level of achievement (Exhibit 4). A third of councils and almost half of services were still some way behind the 'leaders'.

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7. Highland Council nominated its Education service for a PMP2 audit. However, the service was subject to a Quality Management in Education (QMIE) inspection conducted jointly by HM Inspectorate of Education and auditors appointed by the Commission. The inspection covered the issues that would have been dealt with in the PMP audit, which was therefore not progressed.

**Exhibit 4: Councils and services that met a significant proportion of the audit criteria**

Renfrewshire had its corporate function and two services in this category.

Council	Corporate audit		Service audit
Angus	✓		
Argyll & Bute		✓	Personnel
Dundee City		✓	Architectural Services
East Dunbartonshire	✓		
City of Edinburgh	✓	✓	Catering & Cleansing DLO
Glasgow City	✓	✓	Education
North Lanarkshire		✓	Education (Primary Teaching & Learning)
Perth & Kinross	✓		
Renfrewshire	✓	✓ ✓	Administration (Corporate services) Leisure Management
Stirling		✓	Secondary Education
West Lothian		✓	Housing

Councils and services generally had strong arrangements for managing their financial affairs. There have also been improvements in other elements of services' performance management and planning frameworks, including the areas of concern raised in last year's overview of the PMP1 audit:

- evaluation of options for service delivery
- linking service priorities to available resources
- monitoring service performance.

Areas where further development is required include the following:

- There must be clear, active, and sustained leadership from senior managers and elected members to ensure that Best Value is fully integrated into the way a council works. Staff must be fully involved and supported in the development of Best Value if it is to make a difference to the quality public services.
- Councils must effectively engage customers and communities in shaping their services.
- Continuous improvement must be pursued, particularly through Best Value reviews. All realistic options must be evaluated so that the highest quality services are provided for any given cost.
- Performance must be managed. Senior officers and members must specify and monitor the key information that will tell them if they are meeting the needs of customers and communities and achieving value for money.
- Services must be inclusive and tailored to the needs of different sections of the community.

Finally, the PMP1 and PMP2 audits have shown that there are large differences between and within councils in their development of performance, management and planning arrangements. Councils need to know which of their services have most progress to make, and target their support accordingly. It is essential that no service is allowed to slip behind in delivering Best Value to the public.

### **Value for money studies**

The Commission has a statutory duty<sup>8</sup> to “*undertake or promote comparative and other studies designed to enable it to make recommendations for improving economy, efficiency and effectiveness in the provision of services by local authorities... and for improving (their) financial or other management...*”

The study reports produced by the Commission include recommendations aimed at all councils. Where a council has been named in a VFM report in relation to particularly good or poor performance levels, or regarding the need to review an issue, this is noted in each council’s profile.

References are drawn only from those reports that include comparative performance levels on all, or the great majority of the councils and were published between April 2000 and December 2001:

- *‘Benchmarking refuse collection – a review of councils’ refuse collection services, April 2000’*, April 2000
- *‘Managing rent arrears – getting the balance right’*, June 2000 (joint study with the then Scottish Homes)
- *‘A safer place revisited – a review of progress in property risk management in schools’*, June 2001
- *‘A job worth doing – raising the standard of internal audit in Scottish Councils’*, August 2001.

Copies of these reports can be downloaded from our web site at [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)

Additionally, the Commission published the following reports, most of which draw primarily from a sample of councils. The Commission is concerned that the findings and recommendations in these are looked at and acted upon by all councils:

- *‘Safe and sound – a study of community safety partnership in Scotland’*, May 2000
- *‘A good start – commissioning pre-school education’*, March 2001
- *‘Homing in on care’*, November 2001

### **Inspectorate reports**

Each council’s profile shows whether it has been the subject of a report published between April 2000 and December 2001, by either:

- Her Majesty’s Inspectorate of Education
- the Benefit Fraud Inspectorate

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8. ‘Local Government Act 1973’.

## HM Inspectorate of Education

### HM Inspectorate of Education (HMIE)...

*“began operating as an Executive Agency of the Scottish Executive on 1 April 2001. As an Executive Agency, HM Inspectorate operates independently and impartially, whilst remaining directly accountable to the Scottish Ministers for the standards of its work. Her Majesty’s Senior Chief Inspector leads HM Inspectorate and has direct access to appropriate Ministers”<sup>9</sup>.*

#### The HMIE’s Mission is:

*“to promote improvements in standards, quality and attainment in Scottish education through first-hand, independent evaluation.*

*“Our independent inspections, reviews and public reporting on educational establishments, community learning and the education functions of local authorities contribute strongly to continuous improvement in the quality of education and to raising standards of attainment. Through collating, analysing and publishing evidence from our evaluations, we inform parents, schools, colleges and other providers of education and the Scottish Ministers about standards and quality in education.”*

#### Each year, HM Inspectors...

*“inspect and report on the quality of education in pre-school centres, primary schools, secondary schools, special schools, and community learning and development; and also on initial teacher education, residential provision for pupils and the education functions of local authorities.”*

#### School inspections

The HMIE is currently moving towards a ‘generational cycle’ of school inspection. In this cycle, parents can expect to receive both a primary school and a secondary school inspection report as their children move through school education.

#### Inspections of education authorities

Section 9 of the ‘*Standards in Scotland’s Schools Etc. Act 2000*’ charges HM Inspectorate of Education, on behalf of the Scottish Ministers, to provide an external evaluation of the effectiveness of the local authority in its quality assurance of educational provision within the Council and of its support to schools in improving quality.

Inspections are conducted within a published framework of quality indicators (Quality Management in Education – QMIE) which embody the Government’s policy on Best Value.

Each inspection is planned and implemented in partnership with Audit Scotland on behalf of the Accounts Commission for Scotland. The external auditor member of the inspection team carries out a performance management and planning (PMP) audit of the education functions of the authority.

The inspection team also includes an Associate Assessor who is a senior member of staff currently serving in another Scottish local authority.

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9. From the website for HMIE: [www.scotland.gov.uk/hmie](http://www.scotland.gov.uk/hmie)

The education functions of each local authority in Scotland are to be inspected by 2005. To date, seven councils have been subject to a formal inspection:

- Dundee City Council – report published May 2001
- East Dunbartonshire Council – report published February 2001
- East Lothian Council – report published September 2001
- Highland Council – report published February 2001
- Inverclyde Council – report published September 2001
- Midlothian Council – report published May 2001
- Shetland Islands Council – report published December 2001

QMIE inspection reports are on the Internet at [www.scotland.gov.uk/hmie/reportstypeinea.htm](http://www.scotland.gov.uk/hmie/reportstypeinea.htm)

### Other inspections

Local authorities can expect to have an inspection of community learning and development every four years. Each inspection will focus on an area within the authority or on a cross-authority theme. To date 12 councils have been subject to inspection of their Community Learning provision:

- Argyll & Bute Council - “*Community Education in Argyll & Bute (follow up)*” – report published April 2000
- Clackmannanshire Council - “*Community Education in Alloa, Clackmannanshire*” – report published September 2001
- Dumfries & Galloway Council - “*Community Education in Stranraer*” – report published December 2000
- East Ayrshire Council - “*Community Education in East Ayrshire (follow up)*” – report published April 2000
- Fife Council - “*Community Education in East Neuk, Fife*” – report published December 2001
- Glasgow City Council - “*Community Learning in Drumchapel*” – report published June 2001
- Midlothian Council - “*Community Education in Penicuik, Midlothian*” – report published in June 2000
- Moray Council - “*Community Learning in Forres/Lossiemouth*” – report published March 2001
- Perth & Kinross Council - “*Community Education in Blairgowrie, Perth & Kinross*” – report published December 2000
- Scottish Borders Council - “*Community Education in East Area - Scottish Borders Council*” – report published September 2001
- South Ayrshire Council - “*Community Education in Carrick, South Ayrshire*” – report published December 2000
- South Ayrshire Council - “*Community Education in Carrick, South Ayrshire (follow up)*” – report published October 2001

Further information on the HMIE can be found on the Internet at [www.scotland.gov.uk/hmie](http://www.scotland.gov.uk/hmie)

## Benefit Fraud Inspectorate

The Benefit Fraud Inspectorate (BFI) was launched in November 1997 in response to widespread concerns about the estimated high levels of fraud in the social security system.

The BFI's mission is...

*"...to maximise counter-fraud performance and minimise the risk of fraud throughout the social security system."*<sup>10</sup>

The BFI is part of the Department for Work and Pensions (DWP), operating independently of those responsible for administering benefits and reporting directly to the Secretary of State on administration across both central government agencies and local authorities, with particular emphasis on standards of counter fraud and security performance.

The '*Social Security Administration (Fraud) Act 1997*' gave the Secretary of State powers to appoint the BFI to inspect local authorities and their private sector contractors<sup>11</sup> The legislation also gave power to the BFI to have access to documents, information and explanations from anyone involved in benefit administration.

The DWP currently spends just under £96 billion a year on benefits for some 30 million people across the UK, equivalent to £80 a week for every household in the country. Payment of Housing Benefit (HB) and Council Tax Benefit (CTB) by local authorities amounts to around £12 billion of government expenditure.<sup>12</sup>

Latest estimates, published in the *National Housing Benefit Accuracy Review 1997/98* (NHBAR), suggest that around £600 million is being lost each year as a result of fraud in the HB system. If these figures are an indication of the level of fraud then they suggest that about 16% of claimants are receiving an incorrect award of HB.

In March 1999, the government published its strategy for tackling fraud and improving security within the Department and LAs – '*A new contract for welfare – safeguarding social security*'. This strategy calls for a sustained and detailed effort across four fronts:

- **getting it right** – benefit payments should be correct from day one
- **keeping it right** – ensuring payments are adjusted as circumstances change
- **putting it right** – detecting when payments go wrong and taking prompt action to correct them, with appropriate penalties to prevent a recurrence
- **making sure things work** – monitoring progress, evaluating defences and adjusting them in the light of experience.

The following eight councils were the subjects of BFI reports published during the period April 2000 to December 2001. Reports can be downloaded from the Internet:

- Angus Council - published in May 2000
  - full report at [www.bfi.gov.uk/angus/index.htm](http://www.bfi.gov.uk/angus/index.htm)

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10. From the web site for Benefit Fraud Inspectorate: [www.bfi.gov.uk](http://www.bfi.gov.uk)

11. '*Social Security Administration (Fraud) Act 1997*'

12. '*Income Related Benefits, Estimates of Take-Up in 1999/2000*'. Published by Department for Work and Pensions (September 2001)

- East Lothian (second inspection) - published in September 2001
  - full report at [www.bfi.gov.uk/east\\_lothian\\_2/index.htm](http://www.bfi.gov.uk/east_lothian_2/index.htm)
- City of Edinburgh - published in October 2000
  - full report at [www.bfi.gov.uk/edinburgh/index.htm](http://www.bfi.gov.uk/edinburgh/index.htm)
- Glasgow City - published in March 2001
  - full report at [www.bfi.gov.uk/glasgow/index.htm](http://www.bfi.gov.uk/glasgow/index.htm)
- Highland Council - published in October 2001
  - full report at [www.bfi.gov.uk/highland-council/index.htm](http://www.bfi.gov.uk/highland-council/index.htm)
- The Scottish Borders Council - published in June 2000
  - full report at [www.bfi.gov.uk/scottish-borders/index.htm](http://www.bfi.gov.uk/scottish-borders/index.htm)
- Stirling - published in June 2000
  - full report at [www.bfi.gov.uk/stirling/index.htm](http://www.bfi.gov.uk/stirling/index.htm)

More information on the work of the Benefit Fraud Inspectorate can be found on the Internet at [www.bfi.gov.uk](http://www.bfi.gov.uk)

### **Social Work Services Inspectorate**

The purpose of the Social Work Inspectorate (SWSI) is:

*“to work with others to continually improve social work services, so that they genuinely meet people’s needs and the public has confidence in them. The Inspectorate’s main task is to evaluate the quality of social work services in Scotland.”<sup>13</sup>*

They undertake this task by:

- Producing an annual report on social work services in Scotland
- Undertaking inspections or reviews of different aspects of social work services.

They have two other tasks:

- The provision of advice about social work services to the First Minister and the Scottish Executive
- The management of workforce regulation and education and training programmes, for social work staff.

They seek to undertake these tasks giving due regard to disability, gender, sexual orientation, racial origin and cultural and linguistic background.

SWSI’s powers of inspection are within section 6 of the ‘Social Work (Scotland) Act, 1968’. Proposals for modernising these powers have been developed within ‘Aiming for Excellence’. In practice much of the Inspectorate’s work is conducted on the basis of co-operation.

In 2000/2001, SWSI reviewed social work services in all local authorities in Scotland as part of their annual national report ‘Changing the Future’. More information on SWSI is available on the Internet at: [www.scotland.gov.uk/socialwork/swsi](http://www.scotland.gov.uk/socialwork/swsi)

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13. From the website for SWSI: [www.scotland.gov.uk/socialwork/swsi](http://www.scotland.gov.uk/socialwork/swsi)



## **The Local Government Ombudsman**

The Local Government Ombudsman is the popular name for the Commissioner for Local Administration in Scotland<sup>14</sup>. The Ombudsman's office was set up under the Local Government (Scotland) Act 1975 and deals with complaints from members of the public who think they have suffered injustice because of maladministration.

Maladministration can occur when a council does something in the wrong way, does something it should not have done or fails to do something which it should have done. Examples include:

- unreasonable delay
- muddle
- incompetence
- failure to follow proper procedures and adopted policies.

The Ombudsman can deal with complaints about the following bodies:

- local councils
- Communities Scotland (where it is acting as a landlord)
- licensing boards
- joint committees or boards appointed by local authorities, including Fire and Police Joint Boards
- Strathclyde Passenger Transport Authority
- children's panel advisory committees
- any joint committee for the administration of superannuation schemes established by regulations under section 7 or 9 of the Superannuation Act 1972
- any person or body which by virtue of Section 56(1) of the Local Government (Scotland) Act 1973 discharges any of the functions of a local authority.

The Ombudsman can deal with most things handled by a council but there are certain matters which he cannot investigate. These are:

- something which has been known about for more than 12 months (unless he considers it is reasonable for him to investigate the complaint – for instance if someone had been trying to resolve the complaint with the council for some time and had thought that matters were about to be sorted out)
- something about which a person has already gone to court or appealed to a tribunal or a Government Minister or could do so (unless the Ombudsman is satisfied that it would be unreasonable to expect the person to do this)
- something affecting all or most of the inhabitants of the council's area
- court proceedings
- personnel matters
- the internal affairs of schools and colleges
- most contractual and commercial matters (although the sale and purchase of land can be investigated)

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14. 'Local Government (Scotland) Act 1975'



- public passenger transport, docks, harbours, entertainment, industrial establishments and markets.

A finding of maladministration indicates that management procedures or practices within the council are not operating as they should, and that injustice has been caused to complainants. However, the Ombudsman cannot question a council's decision just because someone does not agree with it.

In his annual report for 2000/2001, the Ombudsman comments that his main impression is that...

*“Councils generate a lot of complaints in the administration and management of their revenues functions, collecting council tax, rents, non-domestic rates and other charges. The planning system too continues to generate complaints.*

*The issues are often difficult to assess and nearly always require a visit to the site to obtain a clear picture of the complaint. As in previous years, the actions of a Council as developer can generate complaints.*

*The Report emphasises that there is no substitute for early, intensive and full consultation and public participation when Council and Council Partnership Schemes are being developed and that there will always be a ‘pay-back’ from regular, informed feedback, full information to applicants and objectors and excellent record keeping.”*

In Social Work...

*...”the implementation of Community Care continues to have an impact on the complaints received by the Ombudsman who comments that most local authorities recognise that the process of means assessment requires exceptional levels of sensitivity and customer care. He stresses too that it is very important that the Social Work Complaints Review process is invoked quickly and is managed well. Any delay in convening independent review committees is damaging for the reputation of the Social Work service as a whole.”*

The Ombudsman’s general conclusion is that Scottish councils “have shown a willingness:

- *to admit mistakes quickly and openly*
- *to remedy mistakes with apologies and give full recognition of the time, trouble and expense for a complainant*
- *to accept advice from the Ombudsman and his staff in the spirit in which it is offered*
- *to recognise the need for a business relationship with the office which can produce positive outcomes for complainants without risking the Ombudsman's independence, impartiality and authority*
- *to commit staff time to responding to enquiries promptly.”*

In 2000/2001, the Ombudsman found five cases of maladministration, one case each against City of Edinburgh, North Ayrshire and South Lanarkshire councils, and two against North Lanarkshire council. These findings fell into the following categories:

- Housing benefits – two findings (North Ayrshire and North Lanarkshire)
- Housing – one finding (South Lanarkshire)

- Planning – one finding (North Lanarkshire)
- Finance – one finding (City of Edinburgh)

More information on the work of the Local Government Ombudsman can found on the Internet at [www.ombudslgscot.org.uk](http://www.ombudslgscot.org.uk)