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Press release

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Urgent remedial action needed at Inverclyde Council

A report published by the Accounts Commission today (Thursday 2nd June 2005), says that Inverclyde Council must take urgent, remedial action to address weaknesses in leadership and direction.

Today's Best Value audit report is part of a rolling programme affecting all local authorities in Scotland and provides information to local people for the first time about how well the council is organised to deliver improving services.

The Deputy Chair of the Accounts Commission, Isabelle Low, said:

"This is the most critical Best Value audit report the Commission has considered to date and describes a council which is not in a position to deliver best value for local people. There are instances of good performance and we also recognise the council's commitment to the Inverclyde area and the efforts of frontline staff. However, extensive and fundamental weaknesses in leadership and direction by elected members and senior management are preventing Inverclyde Council from improving. The council should secure appropriate external assistance to support the recovery exercise to address core problems in the organisation."

The Commission identified a number of key requirements which they say will have to be met if the council is to move to a position where it can provide Best Value. These include:

- better leadership from senior managers and councillors
- more consistent decision-making by councillors based on information which clearly demonstrates how services are performing
- more strategic management by the Chief Executive and the Corporate Management Team
- the development of a culture, across the whole organisation, aimed at improving services for local people
- the development of a clear approach to demonstrating value for money and competitiveness in services
- learning from the good practice that exists, both inside and outside the organisation

The Commission recommends that Inverclyde Council should immediately carry out a recovery exercise aimed at addressing the core problems of the organisation, which would involve the following:

- action by members and senior managers to develop an effective working relationship that will support the needs of the organisation and the delivery of Best Value services to the people of Inverclyde.
- review management capacity, in terms of the skills, knowledge and experience required to address the challenges facing Inverclyde.
- carry out a performance review of all services. This should identify the needs of local people, and set targets against which performance improvement can be measured.
- review the council's organisational structure to ensure there is a focus on customer needs and efficiency.

- secure appropriate external assistance, on a consultancy basis and from elected member and chief executive peers, during the recovery exercise.

Isabelle Low continued: “The Council’s progress will be monitored closely and we require a further report from the Controller of Audit on immediate steps taken by the Council as at 31st October 2005. We will give consideration at that point to any further measures which need to be taken.”

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Notes to Editors:

1. The Accounts Commission for Scotland was set up in 1975 and is independent of both central and local government. The Commission checks whether local authorities, fire and police boards spend £9 billion of public money properly and effectively.
2. Audits of Best Value were established as a result of the Local Government in Scotland Act 2003. A rolling programme of audits will affect each local authority in Scotland every three years. The audit assesses the extent to which each council is meeting its legal duty to improve service delivery, identifies where this is in doubt, and outlines any improvement action that is required.
3. The Audit of Best Value is undertaken by Audit Scotland on behalf of the Accounts Commission. It responds to the Local Government in Scotland Act 2003, which gave councils a new power to promote or improve the well-being of their area and the people living within it and new responsibilities including:
 - making arrangements which secure Best Value, defined as ‘continuous improvement in the performance of the authority’s functions, having regard to efficiency, effectiveness, economy and equal opportunities.
 - discharging their duties in a way which contributes to sustainable development
 - maintaining a community planning process
 - making arrangements for reporting to the public on their performance
4. The councils currently being audited in the rolling programme, which will ultimately affect every council in Scotland, are West Lothian, Dundee and East Renfrewshire. Those which have already been audited are Angus, North Ayrshire, Stirling and Shetland.
5. Key Features of the Audit are:
 - The focus is on each council’s performance over time rather than comparisons between councils. It takes account of differences in local priorities, constraints and opportunities and therefore league tables and scores are inappropriate.
 - It is expected that all councils in Scotland will be audited, on average, once every three years.
 - The council’s local external auditor will monitor progress and report through an annual review. If the council has made insufficient progress, the Commission will be alerted and it may ask for further action to be taken.
 - Each audit results in a report to the Accounts Commission which will be published.
 - In most cases Key Findings from the Commission will be published at the same time as the Report. However, the Commission also has the power to do the following: Ask the Controller of Audit to carry out further investigations before reporting its findings; hold a hearing with council before reporting its findings; publish findings which include recommendations to the council and/or Scottish Ministers.