

The Audit of Best Value and  
Community Planning

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# Inverclyde Council

Progress report



Prepared for the Accounts Commission  
January 2009

# The Accounts Commission

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

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

The Commission secures the audit of 32 councils and 41 joint boards (including police and fire and rescue services). Local authorities spend over £18.9 billion of public funds a year.

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

# Contents

**Commission findings**

**Page 2**

**Introduction**

**Page 4**

**Conclusions**

**Page 6**

**Progress at Inverclyde Council**

**Page 8**

Progress on the improvement agenda

**Page 9**

Priorities, strategic direction and  
business planning

**Page 10**

Leadership and management

**Page 11**

Political management systems and  
member/officer relations

Member support and development

Managing performance

**Page 12**

Managing resources

Trading activities

Service performance

**Page 14**

# Commission findings



**1.** In January 2007, the Accounts Commission considered the Controller of Audit's report on the second Best Value follow-up audit of Inverclyde Council and required the Controller of Audit to make a further follow-up report on the council's progress. We accept this report as fulfilling that requirement. We recognise that the report gives a broad picture of the council's performance based on the work of Audit Scotland and does not attempt a comprehensive review of all service delivery. We acknowledge the co-operation and assistance given to the audit process by members and officers of the council.

**2.** The Commission is pleased to welcome the significant progress which Inverclyde Council has made since the initial Best Value Audit report was published in June 2005, and the improvement in the council as a result of its work to address the issues raised in that report and the two subsequent follow-up reports.

**3.** We note the improvements listed in the Controller of Audit's report and, in particular, the work on setting a clear strategic direction through community and corporate plans and the changes to political management arrangements and management structures. We would urge the council to make progress with its review of the competitiveness of its trading operations.

**4.** We are pleased to note that the council is embracing the challenging agenda ahead of it with clear commitment and renewed energy and enthusiasm. We look forward to the council maintaining the momentum it has established and continuing to improve.

# Introduction



The Local Government in Scotland Act 2003 introduced statutory duties relating to Best Value and Community Planning. The first Best Value Audit report on Inverclyde Council was published in June 2005.

The report described a council with some areas of good service performance, but where the building blocks of best value were underdeveloped and where significant remedial action was required before the council could achieve further improvement. In its findings, the Accounts Commission said that there was considerable scope for improvement and that a number of changes would be needed if the council was to deliver best value. In particular, it highlighted the need for more effective leadership by senior managers and elected members, greater consistency in decision-making and scrutiny by elected members, and a more effective approach to corporate strategic management. The Commission also highlighted the need to develop a continuous improvement culture and a clear approach to demonstrating value for money and competitiveness.

A follow-up report was published in November 2005. The report noted that progress had been made, but that there was still a long way to go. The council had responded to the Accounts Commission's findings by setting up a Recovery Group and seeking external support, but a hiatus developed during the summer of 2005. At the end of September 2005, the council's former chief executive left the council. Over the following months the council established interim management arrangements and began to programme the various actions required to improve the leadership and management of the council. The Accounts Commission was clear that the council's improvement agenda was challenging. It expressed concern about the continued pressure on front-line staff, and highlighted the need to sustain a focus on delivering high-quality services to the people of Inverclyde.

It accepted that circumstances during the initial six months of recovery might have limited the progress that could have been made, but called for a significant increase in the pace of change during the next phase.

In February 2007, the Accounts Commission considered a second follow-up report. The Commission acknowledged the progress made as the council had appointed a new chief executive, established a new management structure and appointed a corporate management team. The Commission also noted that member/officer relations had improved and that new political management arrangements were in place.

The Commission went on to state: *"We recognise that much of the activity in the recovery period has necessarily focused on matters of governance, structures and management processes and has not yet flowed through to service improvement. The task for the council is now to embed its new structures and arrangements and concentrate on key priorities so that it can realise the benefits of improved performance in respect of its services."*

The Commission requested a further report from the Controller of Audit on the council's progress up to 30 June 2008. This report provides an update on the progress that Inverclyde Council has made up to September 2008 in delivering its improvement programme, and provides information about other priority areas such as the housing stock transfer and service performance.

The 2007 elections saw 12 of the 20 members newly elected and the previous Liberal Democrat administration was replaced with a minority Labour administration. Following a recent resignation from the Labour group, the council is currently in the process of determining the make-up of the administration.

We gratefully acknowledge the cooperation and assistance provided to the audit team by Councillor Stephen McCabe, leader of the council; John Mundell, chief executive; the corporate management team and all other elected members and staff involved.

# Conclusions





The council has made significant progress in delivering its improvement agenda. Many of the building blocks of best value are now in place and provide a solid foundation for further improvement. Since the last progress report, the council has set a clear strategic direction in new community and corporate plans, improved its medium to long-term planning and implemented changes to its political management arrangements and management structures. New systems and processes are starting to become embedded and service performance is improving. The council recognises that further improvement is needed and demonstrates a clear commitment to continuous improvement. Trading activities remain to be reviewed to ensure competitiveness.

**1.** The council has made very good progress in delivering its recovery and improvement programmes. These have been the main vehicle to address previous concerns and to establish and progress wider strategic objectives.

**2.** The council has:

- produced medium to long-term corporate, community and directorate plans
- implemented a financial strategy to support strategic plans
- developed a strategic planning and performance management framework
- established a new political management structure
- introduced enhanced member support and development arrangements
- implemented a new management structure

- transferred ownership of housing stock to housing associations
- developed a funded school estate management plan up to 2024
- implemented a Single Status Agreement
- established a Community Health Partnership with NHS Greater Glasgow & Clyde
- jointly established and consolidated the work of Riverside Inverclyde urban regeneration company.

**3.** The council has agreed a clear strategic direction and has made good progress in developing a business planning framework, which articulates its vision and strategic priorities. Corporate performance reports are presented to committees on a regular basis and highlight progress against the new corporate and community plans. Directorate performance information is regularly reported to committees.

**4.** New structures, systems and processes are becoming embedded and are providing a platform to support improvement and service delivery. The recently developed financial strategy complements the community and corporate plans and provides direction on how the council will manage its financial resources in the challenging times ahead.

**5.** The council has invested in an extensive training programme to support elected members and continued to engage with external consultants to provide additional support to deliver its improvement agenda. Elected members and senior managers work well together and provide strong and effective leadership. Committee structures have been reviewed to streamline decision-making and improve scrutiny, and members benefit from better reporting.

**6.** An extended corporate management team including heads of service was introduced in April 2008 and aims to increase capacity in managing and implementing change. The council's risk registers highlight the availability of sufficient capacity as critical in meeting customer demands. Although the council has implemented Single Status, it recognises that progress in developing a workforce plan has been limited and that it needs to increase effort and momentum to provide direction in bringing together workforce requirements.

**7.** Service performance is improving. The council's education service continues to perform strongly and attainment levels are high despite the scale of deprivation in the area. The council has received inspectorate reports on education, social work, homelessness and benefits management since the last follow-up report, and these indicate that the council has moved in the right direction across the areas reviewed. The council is currently awaiting an inspectorate report into child protection.

**8.** All of the workstreams within the council's improvement programme have been progressed with the exception of improving the competitiveness of trading operations, where a review has only recently started. The council has initiated the second phase of its Modernisation and Efficiency Programme to improve operational efficiency and effectiveness.

**9.** The council is embracing the challenging agenda ahead with clear commitment, and renewed energy and enthusiasm. It now needs to focus on its ability to deliver and demonstrate continuing service improvement and improve customer satisfaction and outcomes.

# Progress at Inverclyde Council



## Progress on the improvement agenda

The council has made significant progress in delivering its improvement programme. The programme has been closely monitored and scrutinised through regular reports to council, the Policy and Resources Committee and the Corporate Management Team (CMT). This programme has been regularly reviewed and updated, and the council has adopted the public sector improvement framework to support future improvement planning.

**10.** Since the first Best Value Audit report was published in 2005, the council's improvement agenda has evolved and this has been reflected in a range of improvement programmes. The council's initial 'recovery plan' was superseded by the 'management of change' programme in 2006. This programme was replaced in turn by the 'transformation programme' in 2007. Each of these programmes has been updated to remove completed actions, carry forward ongoing work and integrate new priorities.

**11.** The 2007 transformation programme carried forward the eight workstreams from the management of change programme:

- chief executive recruitment
- management structure
- political management systems and member/officer relations
- review of member support
- performance management plan
- corporate plan with service plans
- budget and operating plan 2006/07
- review of trading activities.

**12.** By June 2008, the council had substantially completed six of the eight workstreams that it

planned to conclude by that date. The management structure is almost complete with the fourth tier restructuring in social care outstanding and options to progress this are currently being considered. The council has not made the planned progress in reviewing its trading activities. A review has recently commenced of the arrangements for significant trading operations, and is due for completion by 30 April 2009.

**13.** The council has made significant progress in delivering 12 additional major corporate initiatives included within the transformation programme. The council successfully delivered the 2007/08 revenue budget and May 2007 elections and has completed the housing stock transfer. Three workstreams relating to community planning, the establishment of Riverside Inverclyde (an urban regeneration company) and a Community Health Partnership have achieved their initial goals. Additional improvement activity has been identified in these areas and incorporated in forward-looking action plans. The council has implemented Single Status based on a 37-hour working week including rationalisation of pay and grading, terms and conditions and allowances.

**14.** The remaining five areas, relating to the school estate strategy, asset management, external and internal audit, community engagement and modernising agenda, have all been categorised as long-term projects which will take a number of years to complete. Progress in these areas is monitored by the CMT and reported to members through the Policy and Resources Committee on a regular basis.

**15.** Considerable progress has been made in developing the council's strategic planning and performance management framework and clearer links have been established between the corporate, community and directorate plans. The council is now building on these links and extending the action taken to include the Single

Outcome Agreement (SOA) targets. The inclusive method adopted by the council, involving members, partners and employees at all levels, demonstrates the progress achieved in more effective corporate working.

**16.** The council now has a fully funded School Estate Management Plan scheduled to be completed by 2024 and has recently entered into a Public Private Partnership (PPP) contract for a further four new schools. Delays have occurred in delivering the balance of the council's other property asset management plans and revised dates have been set. A new monitoring system has been developed by internal audit to track outstanding audit actions and the council has recognised that some deadlines had not been based upon realistic timescales. The council is currently considering how to set more realistic deadlines.

**17.** In November 2007, the council agreed to move to the next phase of improvement by developing an organisational improvement plan to replace the transformation programme. The council is currently developing the plan taking account of outstanding actions from previous plans and key deliverables identified in the corporate, community and directorate plans and the SOA. The council has adopted the Public Service Improvement Framework self-assessment tool, which has been used by a number of other councils, to support preparation of the plan.

**18.** The council is working with other councils to conduct a review of operational effectiveness and efficiency at a corporate and service level. The council has engaged external consultants to provide support in conducting the review. An initial diagnostic review has been completed and the council has recently initiated the second phase of this modernisation and efficiency programme; to identify and deliver efficiencies and improvements by changing the way things are done.

## Exhibit 1

### Strategic Planning and Performance Management Framework



Source: Inverclyde Council

### Priorities, strategic direction and business planning

The council has agreed a clear strategic direction and has made good progress in developing a business planning framework.

**19.** Since our last progress report the council has developed a comprehensive Strategic Planning and Performance Management Framework (Exhibit 1). This integrated approach to planning and performance management has been adopted to improve efficiency and delivery of corporate priorities and brings together planning and performance management arrangements. The framework has recently been updated to take account of the Single Outcome Agreement.

**20.** The newly created set of plans provides clear direction in taking forward corporate priorities and includes:

- Community Plan 2008-18
- Corporate Plan 2007-11
- Directorate Plans 2008-11
- Performance management and reporting arrangements
- Financial Strategy
- Corporate Communications Framework
- Risk Management Strategy.

**21.** A wide range of consultation has taken place in producing the community plan, including workshops with members, staff and Community Planning partners. The plan was formally adopted by Inverclyde Alliance (made up of representatives of the council, other public agencies, the private sector and the wider community) in April 2008 and thereafter by the council itself in June 2008.

**22.** The corporate plan clearly articulates the council's vision and is supported by core values and key principles (Exhibit 2). The plan was prepared following consultation with members, services, community representatives and partner agencies. The council has distributed a newsletter and pledge card about the corporate plan to all staff to create an awareness of the council's vision and values. Key messages from the plan are widely communicated and displayed in council buildings.

**23.** The council is developing performance indicators to monitor progress against the corporate plan and directorate plans, which have been refreshed to align with the new corporate and community plans.

**24.** The Single Outcome Agreement was based on the new community and corporate plans and was endorsed by the Inverclyde Alliance. Clearer links have been established across the strategic planning framework and this is providing greater clarity to support the delivery of the council's vision. As this framework has not yet had time to fully bed in, it is too early to assess its effectiveness.

**25.** The council now needs to work with partners through the Inverclyde Alliance to develop delivery plans and performance management arrangements to support the delivery of agreed outcomes from the community plan and the SOA. The Alliance has recognised that governance arrangements need to be updated to support the SOA.

## Exhibit 2

### Inverclyde Council, vision, core values, key principles and strategic outcomes

#### Vision

- An ambitious, confident council, providing strong community leadership that listens and responds to the needs of local communities, delivers excellent services and creates a better quality of life for the people of Inverclyde.

#### Core values

- We will be confident and ambitious.
- We will be respectful, caring and trustworthy.
- We will be open, honest and accountable.
- We will listen, engage and respond.
- We will strive for excellence in everything.

#### Key principles

- Regeneration: Everything we do is geared towards the social, economic and environmental regeneration of Inverclyde.
- Partnership: Working in partnership enables us to more effectively tackle the key issues facing Inverclyde.
- Sustainability: We apply the principle of sustainability to all areas of our work.
- Equality: We are committed to providing equality of opportunity both as an employer and as a service provider.

#### Strategic outcomes

- Educated, informed and responsible citizens.
- Healthy, caring communities.
- Safe, sustainable communities.
- A thriving, diverse economy.
- A modern, innovative organisation.

Source: Inverclyde Council

## Leadership and management

The leader of the council and the chief executive are working well together and provide effective leadership. The new CMT is providing improved corporate leadership and direction.

**26.** The chief executive has continued to demonstrate strong leadership by providing clear direction and a focus on priorities. He is committed to delivering the improvement agenda and holds officers to account for delivering objectives within agreed timescales.

**27.** The chief executive and council leader have a constructive working relationship and this is leading to clearer strategic direction and delivery of objectives. The leader and chief executive have also demonstrated commitment to involving strategic partners in improving and streamlining services in Inverclyde.

**28.** The chief executive meets regularly with the council leader and other political group leaders individually and collectively through the Strategic Leadership Forum, to discuss forthcoming issues and

priorities. This has led to a greater feeling of inclusiveness for all groups.

**29.** Members and officers have commented on the positive culture and increasing sense of confidence and the significant progress made by the chief executive to date. There is heightened optimism within the council in its ability to modernise services. Officers feel that the changes are being led from the top.

**30.** In the last progress report we noted that a new management structure had been agreed but not all new appointments had been made yet. The recruitment to the head of service posts was completed in February 2007 and a mix of internal and external candidates was appointed. The council has completed recruitment to senior management and team leader level with the exception of team leaders in social care. It is considering aligning its social care structure with the community health partnership to maximise efficient, joint working activity.

**31.** Good team working has been evident in the CMT. The team will need to continue working cohesively to deliver the council's improvement plan and strategic objectives. An extended corporate management team which consists of the chief executive, corporate directors and heads of service was formed in April 2008. This aims to increase management capacity and strengthen corporate working.

**32.** An appraisal system has been implemented for chief officers. The chief executive's appraisal is conducted by the council leader; depute leader and leader of the main opposition with the support of an external adviser. Appraisals are also carried out for head teachers, service managers and team leaders within education and social care and the council plans to roll out appropriate arrangements across the organisation. Some slippage has occurred and the council cites resource pressures arising from the finalisation of Single

Status Agreement arrangements as the reason for this. The council needs to build on current arrangements and refocus attention on this to help manage performance within the council in a systematic and effective manner.

### Political management systems and member/officer relations

Political decision-making structures have been reviewed and the council has implemented a new committee structure. Elected members and the CMT are benefiting from improved committee reporting arrangements, reports are more timely and informative, clearly outlining issues in a structured and consistent manner.

**33.** Following the election in May 2007 there were significant changes to the political composition of the council. The Liberal Democrat administration was replaced by a minority Labour administration. Six multi-member wards were created and are represented by 20 councillors.

**34.** Joint working between parties has been necessary to establish and progress strategic priorities and parties worked well together during the 2007/08 budget setting process.

**35.** The council carried out a review of the political management arrangements with external support from Queen Margaret University, Edinburgh. The review was an inclusive process involving members and officers. In May 2007, the council agreed new political management arrangements to streamline decision-making and improve scrutiny.

**36.** The new structure includes:

- Full council
- Policy and Resources Committee
- Policy and Resources (Executive) Sub Committee.

**37.** The structure also includes four strategic committees:

- Education and Lifelong Learning Committee
- Regeneration Committee
- Safe and Sustainable Communities Committee
- Health and Social Care.

**38.** The council also has an audit committee and regulatory boards.

**39.** The council carried out a follow-up review of the decision-making structures in June 2008, which concluded that the structures were fit for purpose and would support progress towards the outcomes defined in the SOA and the corporate and community plans. Governance arrangements, including Standing Orders, Financial Regulations and Scheme of Delegation have been reviewed and updated.

**40.** There are indications that the council's new political management arrangements are bedding in well with constructive and professional arrangements being formed. Members are increasingly providing constructive challenge at meetings. These arrangements have contributed a sustained improvement in member/officer relations.

**41.** During the audit some members expressed concerns regarding the timeliness of officer responses to queries raised. The council are now in the process of refining a protocol to define clear standards and procedures to be followed to improve the current arrangements.

### Member support and development

The council has developed an extensive programme of support and training for members, including personal development planning. Members need to make full use of the support on offer.

**42.** Job descriptions were issued to members to provide clarity on their roles in May 2007 and by June 2008 all councillors had completed individual training needs assessments to identify areas for further development. At the time of the audit 18 of the 20 councillors had agreed a personal development plan.

**43.** Member support was reviewed by external consultants in December 2006. Since then the council has implemented a professional development programme for members, developed a comprehensive member handbook, enhanced administrative arrangements and appointed a members services manager.

**44.** Attendance levels at training events have varied over the first 12 months of the programme ([Exhibit 3](#)). The council needs to refresh the programme on an ongoing basis to take account of developments within local government and work with members to consider how it can improve attendance levels.

### Managing performance

The council has made good progress in developing a performance management framework.

**45.** Performance reporting is now well established and is an integral part of how the council now carries out its business.

**46.** The corporate performance report is a standing item on the Policy and Resources Committee and CMT agendas. The reports are structured to measure performance

**Exhibit 3**

## Member training events May 2007 to June 2008

Date	Course	Number of members attended (out of 20)
18/05/07	Induction (1): The Elected Members' Role	14
21/05/07	Induction (2): Building a Best Value Organisation	16
28/05/07	Councillors' Code of Conduct & Standards	13
31/05/07	Council Services and Structures	15
18/06/07	FOI & Data Protection	11
25/06/07	Quasi-Judicial Proceedings	11
26/07/07	Role of the Convenor and Behaviour at Meetings	10
02/08/07	Local Government Finance	8
06/08/07	Recruitment & Selection	11
23/08/07	Treasury Management	15
07/09/07	Audit Functions	8
24/09/07	Role of Members on Outside Bodies	12
01/10/07	Best Value	12
09/10/07	Risk Management	11
18/10/07	Media Training	12
12/10/07	Planning Regime	9
24/01/08	Declaration of Interests/Code of Conduct	14
04/02/08	Role of Members on Outside Bodies	14
11/02/08	Demystifying Principles of Common Good	10
28/02/08	Community Planning	11
20/02/08	Race Inequality Issues	10
03/04/08	Partnership Working	12
15/05/08	Corporate Governance	10
26/05/08	Health & Safety	10

Source: Inverclyde Council

outcomes contained in the SOA and the corporate and community plans. Outstanding actions identified by the council's best value audit position statement at 30 June 2008 have also been incorporated in the latest corporate performance report.

**47.** The reports are structured around key corporate initiatives including:

- the organisational improvement plan
- corporate plan, with links to directorate and financial plans
- community planning
- Single Outcome Agreement
- decision-making structures and member support

- school estate strategy
- asset management
- modernisation and efficiency programme
- communications framework
- community health partnership
- Riverside Inverclyde
- single status
- workforce development.

**48.** The council has adopted a 'traffic light system' to highlight whether initiatives and associated performance measures are on target or subject to delays which require corrective action. Reports are SMART: identifying for each initiative the responsible corporate director and senior officer, key milestones, risks, summary status, improvement action and overall analysis. The council is procuring an electronic corporate performance management system to help measure performance systematically across the council.

**49.** Reports equip members and officers with information to scrutinise performance and provide intelligence to inform policy decisions and future action. Directorate performance reporting has also been established. Reports are submitted to the appropriate committees on a regular basis and performance is measured against key performance indicators. The format of reporting adopted across the council encourages consistency, comparability and accountability. Members have commented positively and indicated that reports had helped them to fulfil their scrutiny role more effectively.

**50.** The current approach needs to be further developed to provide better information on front-line service performance and performance information which links corporate initiatives to service improvement, customer experience and the outcomes identified in the SOA.

## Managing resources

The council is developing resource strategies aligned to the strategic planning and performance management framework. Financial planning, risk management and asset management have progressed well, but more work is required to develop strategic workforce planning.

**51.** Issues relating to the financial strategy are regularly reported to the Policy and Resources Committee. At the time of our audit the latest report highlighted pressures from pay awards, pensions and utility costs. The council recognises the financial pressures ahead. The £80 million PPP project to build four new schools has been slightly delayed because of funding difficulties arising from current global financial pressures, however, the contract has now been signed. Financing costs have increased and the settlement was within the affordability level previously set by the council.

**52.** Progress has been made in implementing a risk management framework. Corporate, directorate and service risk registers have been compiled and reports are presented to committees regularly. The council is looking at ways of overseeing all of the risks identified within the registers to provide direction in managing overall risk.

**53.** The council expects to start implementing strategies covering procurement, community engagement and an organisational improvement plan by December 2008.

**54.** Our previous audit highlighted the need to develop asset management and workforce planning arrangements. The council has reviewed its asset management arrangements and a new asset management system has recently been procured. Capital planning arrangements have also improved and an officers group has been set up to oversee asset management activity. An

asset management plan remains outstanding. The council expects to produce a finalised plan by April 2009.

**55.** The council has made only limited progress in developing a comprehensive human resources strategy and workforce plan. Corporate and service risk registers have highlighted that sufficient capacity will be critical in meeting customer demands and recruitment in some areas has been difficult, for example, legal and accountancy staff. The council reassessed the timescale for completing a workforce plan to April 2009 as a result of pressures relating to single status and effort and momentum in this area needs to be increased.

**56.** Some progress has been made in developing a corporate option appraisal system. The council has no corporate approach to programme/project managements. A corporate approach would enhance transparency in decision-making processes and provide a mechanism for monitoring, controlling and reviewing projects across the council in a consistent manner. Internal audit have recently conducted a review of this area and improvement actions have been agreed. The corporate director of regeneration and resources has been tasked with ensuring that the recommendations are implemented by March 2009.

## Trading activities

The council has made limited progress in reviewing its trading activities to demonstrate value for money and competitiveness.

**57.** In its findings on the first Best Value Audit report the Accounts Commission highlighted the need to carry out a thorough review of the council's trading operations. Since then the council has made limited progress. Considerable time was invested in preparing the Building Services DLO for transfer to River Clyde Homes coupled to new working arrangements for the retained unit.

**58.** Two of the three significant trading operations (STOs) achieved the required break-even position in 2007/08. However, the vehicle management trading account did not achieve the required break-even position over a three-year rolling period, reporting a deficit of £10,000.

**59.** The council's internal audit team conducted a limited review of STOs and reported their findings to the CMT in June 2008. The report highlighted a number of weaknesses around the identification and management of trading operations. However, a full review to ensure competitiveness and value for money through the use of trading activities has yet to be undertaken as planned. The council has now initiated a fundamental review of statutory trading operations, which is being led by the chief executive and is due for completion by 30 April 2009.

## Service performance

Service performance is improving. Education and social work services continue to perform well. The statutory performance indicators (SPIs) show an overall improvement. The council needs to ensure that its modernisation programme continues to help improve service delivery.

**60.** This assessment of service performance is largely based on published information in the form of SPIs and the reports published by other scrutiny bodies. These do not give a comprehensive picture of performance across all services, but they allow some comparisons to be made between councils and over time.

**61.** SPIs show an improvement overall, between 2005/06 and 2007/08. In 2007/08, the proportion of indicators in the upper quartile of all Scottish authorities was 23 per cent (compared to 17 per cent in 2005/06) and there was a lower proportion of indicators in the bottom quartile (27 per cent in 2007/08 compared to 33 per cent in 2005/06) ([Exhibit 4](#)).



**62.** Between 2005/06 and 2007/08, the council's performance improved by five per cent or more on 29 SPI measures and worsened by five per cent or more on 14 (Exhibit 5). This gives the council an improvement-to-decline ratio of 2.07, which is above the national average of 1.7.

**63.** Six SPIs which were in the bottom quartile in 2005/06 had still not improved by at least five per cent, by 2007/08.

**64.** The education service continues to perform strongly, education attainment levels are improving and a number of positive school reports have been published in 2007 by Her Majesty's Inspectorate of Education (HMIE). In addition, the council is progressing a recently agreed School Estate Management Plan to further improve pupils' experience, education and environment.

**65.** Inverclyde has had high levels of young people 'not in education, employment or training (NEET)'. Since 2003, levels have continued to decrease and Inverclyde was rated as the fifth lowest in Scotland in 2007. Through partnership working with the local enterprise agencies, Careers Scotland, the NHS and James Watt College significant improvements have been made in this area.

**66.** The council has developed a unique learning project 'The Recruit' to support pupils from local schools to secure trainee management positions within private companies and the council. Seven positions have been awarded to date and the project received a Bronze Award at the 2007 COSLA Excellence Awards.

**67.** The Social Work Inspection Agency (SWIA) carried out a follow-up inspection in November 2007 following a full performance inspection in 2006 (Exhibit 6). The follow-up visit, in November 2007, found that nine of the 16 recommendations had been fully implemented and progress noted in the remaining seven.

#### Exhibit 4

##### SPI Profiles: Proportion of indicators in quartiles 1 and 4

	Quartile 1		Quartile 4	
	No. of indicators	% *	No. of indicators	% *
2005/06	13	17	25	33
2007/08	16	23	19	27

Note: \* Indicators which were classed as unreliable, where no service was provided or which failed to report are excluded from this calculation.

Source: Audit Scotland

#### Exhibit 5

##### SPI Profiles: Performance change between 2005/06 - 2007/08

	Measures that worsened by			Measures that improved by		
	> 15%	10-14%	5-9%	5-9%	10-14%	>15%
Scotland	10	3	4	6	5	18
Inverclyde	9	1	4	7	3	19

Source: Audit Scotland

#### Exhibit 6

##### SWIA Inspection Report

It was clear to us at our follow-up inspection that the new corporate management team gave significant leadership to social work services. All of the staff at the focus group agreed that corporate support and leadership for social work services had greatly improved. All of the looked after and accommodated children we saw had met the council's chief executive and the corporate director of education and social work. The young people were very positive about their contact with these senior managers.

Inverclyde Council has made good progress implementing the 16 recommendations in our performance inspection report. We were particularly impressed with their progress on:

- developing a performance management system
- taking forward corporate parenting
- implementation of their staff appraisal system.

Source: Performance Inspection Summary Progress Report Inverclyde Council 2007, Social Work Inspection Agency, February 2007

**68.** The report recommended further improvement in the following areas:

- managing and monitoring the performance of services
- developing a commissioning strategy
- developing a risk register specific to social work
- performance in relation to direct payments
- carers' assessments
- the educational attainment of looked after children.

**69.** Social work services has devised an action plan to respond to the inspection recommendations.

**70.** Audit Scotland's report on Housing and Council Tax Benefit Services in Inverclyde Council highlights good practice in a number of areas ([Exhibit 7](#)). The council has subsequently prepared an action plan to address the risks identified and these actions should be completed by January 2009.

**71.** In 2007, the council transferred ownership of its entire housing stock to River Clyde Homes and Cloch Housing Association. The council no longer has responsibility for direct housing management but does retain responsibility for some areas such as homelessness services. The housing regulator's inspection of the homelessness service, issued in August 2008, graded Inverclyde 'C-Fair'. While an improvement from the previous inspection was noted, further improvement is required. The council is preparing an action plan to address the weaknesses identified.

## Exhibit 7

### Audit of housing and council tax benefit – risk assessment report

Inverclyde Council demonstrates an awareness of what constitutes an effective, efficient and secure benefits service. Its claims processing performance has improved considerably since 2006/07 and new claims and changes of circumstances are now being processed in an average of 24 days and eight days respectively.

A strong counter-fraud performance in 2007/08 resulted in a 284 per cent increase in the number of sanctions administered, and the council received very positive comments in the 2006/07 National Fraud Initiative report.

In addition, the council is currently carrying out an independent customer service review and investing in new IT systems to deliver further improvements.

The main risks to delivering continuous improvement are the need for:

- a Benefits Performance Management Framework to enable the benefits service to be effectively and efficiently monitored in an open and transparent manner
- a Benefits Service Business Plan setting out the aims and objectives, performance indicators and key deliverables for the service
- the Benefits Control Team Business Plan 2008/09 to be more focused on outcomes
- better use to be made of management information to identify areas for improvement in:
  - appeals and reconsiderations
  - interventions
  - counter-fraud.

Source: Audit Scotland report, June 2008

# Inverclyde Council

## Progress report

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