

Stirling Council

**Report to Members and the Controller of Audit
on the 2008/09 Audit**

October 2009



 **AUDIT SCOTLAND**

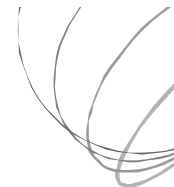


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Key Messages

Outcomes for 2008/09

We have given an unqualified opinion on the financial statements of Stirling Council.

We have, however, drawn attention to a failure to comply with the statutory requirement for two of the council's significant trading organisations to break even over a three year rolling period – Building Cleaning and Catering. The council should ensure that these STOs take action to address their financial situation and that other STOs continue to provide a competitive service.

Audited accounts show a net contribution of £0.4 million from reserves, which is £1.9 million less than was budgeted, after adjusting for the use of earmarked reserves. This resulted in an unallocated balance of £6.7 million on the general fund, which is above the target range of £4.0 million to £5.0 million agreed by the council in February 2008 to cope with unforeseen events. This outturn position masks some underlying pressures in the recurring budget position which the council will have to manage in future years. The most significant call on balances will be the funding of severance costs associated with the Diagnostics Programme, which will be incurred in 2009/10. The current estimate of these severance costs is £3.3 million.

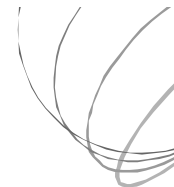
The second Single Outcome Agreement (2009–2012) for Stirling was signed in May 2009. Work is required to align the council's strategic plan with the new SOA, but the range of local outcomes and supporting indicators provides a good basis for monitoring and managing progress towards the stated outcomes. An overall summary of progress on the 2008/09 SOA was approved for submission to the Scottish Government in October 2009.

The council has completed or significantly progressed many of the actions contained in its improvement plan. As a result, overall it has made reasonable progress in addressing the key issues raised.

A Social Work Inspection Agency (SWIA) report on the inspection of social work services in the council was critical, with two areas identified as weak (leadership & direction and capacity for improvement). The report also highlighted that the impact of the changes planned in social care as part of the council's efficiency programme had not been appropriately appraised to ensure management capacity was sufficient.

Outlook for future years

The Scottish Government has made it clear that public expenditure will be constrained for the medium term. The council needs to plan now for a future where there is no real growth in funding and where it continues to face difficult financial pressures. The council has prepared medium term forecasts of its own



budget position, and these will be developed as the future years' government grant position becomes clearer. In consultation with other local authorities via COSLA, the council is working to a common planning assumption of a 12% reduction in grant over the next four years, which would result in savings greatly in excess of those in previous years having to be made, to maintain council tax at current levels.

While this work provides a good baseline against which the council can manage its overall financial position, longer term resource planning remains limited. Savings take time to accrue and the council has to take action now to be sure of achieving efficiencies in the future, building on its current transformation project. A review of spending priorities is also likely to be required in the future to ensure that the council can balance its books and ensure that it is directing resources to the priorities and objectives for the area.

The council has managed its financial position to provide increased resilience against unexpected costs and increasing budget pressures. Uncommitted balances are above the agreed target range, and represent around 2.4% of the total funding and income received annually. This provides some short term flexibility, but the council has limited opportunity to use its balances to manage any significant reductions in income and recurring expenditure pressures.

Achieving the level of efficiencies and other savings required will need continuing review across all of the council's activities and effective coordination of its efforts. While the council has explored a number of options with neighbouring local authorities for the sharing of services to a significant degree, ultimately these have not come to fruition. There are a small number of shared service initiatives within the council including Joint Buying Arrangements and Forth Valley GIS Ltd. It is likely that the council will be reliant on working much more closely with neighbouring councils and other public sector organisations if it is to release the level of savings required. There is much to do before specific plans are developed and implemented.

The council will need to keep under review the ability of its subsidiaries and joint ventures to continue as going concerns in the current economic conditions, and the implications for the council of any financial difficulties that they may experience. In doing so, it will need to consider the extent to which any continuing or additional financial support constitutes best value.

The development of the SOA and supporting arrangements has the potential to improve planning and performance management significantly. However, the long term and complex nature of many of the outcome targets pose many questions for performance management. A key challenge will be integrating and aligning the council's processes to support delivery of the desired outcomes – making sure that resources and efforts are directed to key areas.

It is important that the council starts the transition to International Financial Reporting Standards (IFRS) in 2009/10 to support the move of all local government accounts to IFRS with effect from 2010/11. Work has already commenced on preparing for IFRS, with officers currently reviewing existing leasing and PFI/PPP



accounting treatments to ascertain the potential impact from the new IFRS accounting arrangements. Along with most other Scottish local authorities, the council has joined up to a partnership agreement between CIPFA and PwC to provide an onsite project support and advice service through the whole IFRS transition process.

The co-operation and assistance given to us by members, officers and staff is gratefully acknowledged.





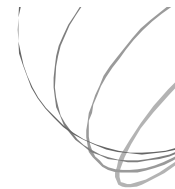
Introduction

1. This report is the summary of our findings arising from the 2008/09 audit of Stirling Council and other relevant work carried out by Audit Scotland. A number of detailed reports have already been issued in the course of the year in which we make recommendations for improvements (see Appendix A). We do not repeat all of the findings in this report. Instead we focus on the financial statements and any significant findings that have arisen from our review of the management of strategic risks.
2. The report uses the headings of the new corporate assessment framework, which is being developed for Best Value 2 (BV2) and for joint scrutiny work. The framework is founded on the characteristics of a best value council which are available on Audit Scotland's website¹. Using evidence gathered in the course of the audit, supplemented by other work by Audit Scotland and other scrutiny bodies, we comment on the council's position this year.
3. It must be stressed that our comments are made on the basis of information made available in the course of the annual audit. Our intention is to build up the corporate assessment over time and for that to form the basis of a proportionate best value audit. This report is a step towards that goal.
4. Audit Scotland carries out a national study programme on behalf of both the Accounts Commission and the Auditor General for Scotland. Reports published in the last year of direct interest to the council are:
 - The impact of the race equality duty on council services
 - Improving energy efficiency
 - Asset management in councils
 - Overview of drug and alcohol services
 - Mental health overview
 - Civil contingencies planning
 - Strategic procurement

¹ - http://www.audit-scotland.gov.uk/docs/local/2009/bv_090331_bv2_consultation_char.pdf



5. We mention the key findings from these reports and the implications for Stirling in the performance and use of resources sections of this report. Full copies of the studies can be obtained from Audit Scotland's web page at www.audit-scotland.gov.uk.
6. Appendix B is an action plan setting out the high level risks we have identified from the audit. Officers have considered the issues and have agreed to take the specific steps set out in the column headed *Planned Management Action*. We do not expect all risks to be eliminated or even minimised. What we are expecting to see is that the council understands its risks and has in place mechanisms to manage them. Members should ensure that they are satisfied with the proposed management action and have a mechanism in place to be duly assured that the proposed action has been implemented.
7. This report is addressed to members and the Controller of Audit. It will be published on our website after consideration by the council. The Controller of Audit may use the information in this report for her annual overview of local authority audits to the Accounts Commission later this year. The overview report is published and used by the Accounts Commission as the basis for its annual briefing to the Scottish Parliament's Audit and Local Government and Communities committees.
8. The management of the council is responsible for preparing financial statements that show a true and fair view and for implementing appropriate internal control systems. Weaknesses highlighted by auditors in this and other reports are only those that have come to our attention during our normal audit work in accordance with the Code of Practice approved by the Accounts Commission, and may not be all of the weaknesses that exist. Communication by auditors of the matters arising from the audit does not absolve management from its responsibility to address the issues raised and for maintaining an adequate system of internal control.
9. We thank the members and officers of the council for their assistance and cooperation in the conduct of our 2008/09 audit.



Financial statements

Introduction

10. In this section we summarise key outcomes from our audit of the council's financial statements for 2008/09, comment on the significant accounting issues faced, and provide an outlook on future financial reporting issues.

Audit Opinion

11. We have given an unqualified opinion on the financial statements of Stirling Council for 2008/09. We have, however, drawn attention to a failure to comply with a statutory requirement. This does not impact on the fairness of the financial statements and, therefore, does not affect the opinion on the accounts.
12. The Local Government in Scotland Act 2003 requires councils to maintain and disclose trading accounts for significant trading operations, which are required to break-even over a three-year rolling period. Two of the statutory trading organisations made aggregate losses in the three years to 31 March 2009, with the result that the council failed to meet this statutory requirement for the following trading organisations – Building Cleaning and Catering.
13. The council's unaudited financial statements were submitted to the Controller of Audit prior to the deadline of 30 June. Audited accounts were finalised by the target date of 30 September 2008 and were presented to the Governance and Audit Committee on 28 September and to the council on 1 October and will now be published. The financial statements are an essential means by which the council accounts for its stewardship of the resources made available to it and its financial performance in the use of those resources.

Accounting issues

14. Local authorities in Scotland are required to follow the *Code of Practice on Local Authority Accounting in the United Kingdom – a Statement of Recommended Practice* (the SORP). No major changes were introduced by the 2008 SORP. We were satisfied that the council prepared the audited accounts in accordance with the 2008 SORP.
15. Some final accounts preparation processes and working papers merit review, although the processes and working papers generally are satisfactory. There were a number of adjustments to the draft accounts submitted for audit, which resulted in some extra work both for accountants processing

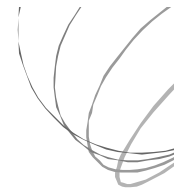


these changes and auditors reviewing the adjustments. The main accounting changes arose from the need to write down asset values relating to existing housing components, which had also been taken account of in the revaluation of the council's housing stock. Audit adjustments have resulted in a decrease in net assets of £25.5 million in relation to fixed asset revaluations and impairments.

Key risk area 1

16. We are working in partnership with finance to clarify our requirements and help improve the processes for the preparation and audit of the financial statements. In particular, it would be helpful to advance the timetable for receipt of audited information from group companies so that the consolidation of information in the council's group accounts can be completed earlier.
17. The council has adjusted the financial statements to reflect audit findings. As is normal practice, immaterial unadjusted errors have been reported to the Head of Finance & Procurement and the Governance & Audit Committee. Details of significant accounting issues arising in the course of our audit are summarised below.
18. It is the nature of financial information that in some areas it requires estimates and judgements to be made by the council about the amounts to include in the accounts. Our role is to assess the significant estimates and judgements made by the Head of Finance & Procurement in the preparation of the financial statement. Such estimates were necessary in 2008/09 in relation to one key issue – actual and potential claims in relation to equal pay legislation, with a provision of £4.94 million being recognised at 31 March 2009.
19. The Head of Finance & Procurement has confirmed that this amount has been reviewed and is the best estimate of the expenditure likely to be required to settle this potential obligation. While there remain uncertainties over the actual costs that will be incurred to settle such cases, we are satisfied that a reasonable approach has been taken. The council will continue to keep the likely amount of these potential liabilities under review in future years.
20. Stirling Council's accounts include (within investments) two loans to City of Stirling Business Parks (Investments) Ltd. One of these, a loan for £0.285 million, is not included in the audited accounts of City of Stirling Business Parks (Investments) Ltd. The council holds a loan agreement with the company, dated 27 September 1999, for the £0.285 million loan and consider this full amount to still be outstanding and repayable in due course. This is disputed by the company. While the issue remains to be resolved, we do not consider the impact of any remaining uncertainty on the accounts to be material.

Key risk area 2



Audit testing

21. As part of our work, we took assurance from a number of the council's main financial systems. No material weaknesses in the accounting and internal control systems were identified during the audit which could adversely affect the ability to record, process, summarise and report financial and other relevant data so as to result in a material misstatement in the accounts. We assessed the following central systems controls for our purposes:

- Payroll
- Accounts payable
- Accounts receivable
- Benefits
- Housing rents
- Council tax
- Main accounting system
- Non-domestic rates
- Miscellaneous income
- Budgetary control
- Treasury management
- SWIFT
- Capital Accounting
- MISC (costing system)

22. We also relied on the work of internal audit in the following areas to support our work: Creditors and Internal Financial Control Checks.

Prevention and detection of fraud and irregularities

23. At the corporate level, the council has appropriate arrangements in place to help prevent and detect fraud, inappropriate conduct and corruption. These arrangements include: an anti-fraud and corruption policy and response plan; a whistle blowing policy; codes of conduct for elected members and staff; and defined remits for relevant regulatory committees.

24. The Governance & Audit Committee receives regular reports on irregularities reported to internal audit with losses reported in 2008/09 of £0.012m. A recent internal audit report has highlighted an overpayment of £0.051m through the fraudulent raising of invoices by a supplier for a bed and breakfast service. An action plan has been agreed to address the weaknesses highlighted.

NFI in Scotland

25. The National Fraud Initiative (NFI) in Scotland brings together data from councils, police boards, fire and rescue boards, health bodies and other agencies, to help identify and prevent a wide range of frauds against the public sector. These include housing benefit fraud, occupational pension fraud and payroll fraud. The NFI has generated significant savings for Scottish public bodies (£40 million to



2008). If fraud or overpayments are not identified in a body, assurances may be taken about internal arrangements for preventing and detecting fraud.

26. The most recent data matching exercise was carried out in October 2008 and national findings will be published by Audit Scotland in May 2010. Once again, the council is taking part in the National Fraud Initiative (NFI) in Scotland. The exercise is undertaken as part of the audits of the participating bodies. NFI brings together data from councils, police and fire and rescue boards, health bodies and other agencies biennially to help identify and prevent a wide range of frauds against the public sector. These include housing benefit fraud, occupational pension fraud and payroll fraud. It is too early in the process to quantify the overall savings generated from the 2008/09 initiative. However, as at May 2008 Scottish public bodies have reported significant savings of £37m.
27. The 2008/09 NFI generated a total of 3,195 data matches in respect of Stirling Council, the major elements of which are procurement 1,477, the benefits system 1,020 and payroll and pensions 168 data matches. The council has made good progress in investigating the full range of data matches by utilising the recommended filters to prioritise their investigations. In total 2,097 cases have been processed and cleared with a further 66 cases currently under investigation. Although no cases of fraud have been uncovered and no savings have as yet been generated assurance may be taken about the internal arrangements for the prevention and detection of fraud.

Housing Benefit

28. In 2008/09 the council paid out around £19.3 million in benefits to assist persons on low incomes to pay council tax and rent. Audit Scotland took over the inspection responsibilities of the Benefit Fraud Inspectorate in Scotland in April 2008. Our specialist team is carrying out a programme of risk assessments of benefits services in all councils over a two year period. The risk assessment of Stirling Council's benefits service has not yet been programmed but will be completed by March 2010.

Group accounts

29. The diversity of service delivery vehicles used by local authorities means that consolidated group accounts are required to give a true and fair view of a council's income and expenditure.

Subsidiaries, Associates and Joint ventures

30. The council has interests in four subsidiaries, eight associates and three joint ventures. They have been included in group accounts in accordance with the SORP. Sufficient audit assurances were obtained through review of board minutes, internal audit reports and audited accounts. We completed this work through a mix of audit questionnaires and meetings with auditors of the more significant companies. This provided useful context to enable us to conclude our audit of the group.



Trust funds

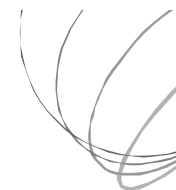
31. Local authorities with registered charitable bodies are required to comply with the requirements of the Charities Accounts (Scotland) Regulations 2006. In effect, this means a full set of financial statements is required for each trust fund. However the Office of the Scottish Charities Regulator (OSCR) has deferred the date of full implementation until 2010/11. This means that reliance can be placed on the existing disclosures for trust funds in the council's financial statements, supplemented by appropriate working papers.
32. The council is trustee for more than 50 trusts and endowments of which 20 are registered as charities. During 2008/09 the trusts received income of £0.019 million (2007/08 - £0.023 million), principally donations and interest earned on balances invested in the council's loans fund. Expenditure totalled £0.013 million (2007/08 - £0.014 million). The net assets of the trusts at 31 March 2009 amounted to £0.37 million. In preparation for the 2010/11 implementation date the council is currently reviewing the status of its trusts.

Common good fund

33. In December 2007, Local Authority (Scotland) Accounts Advisory Committee (LASAAC) issued a guidance note for practitioners. The guidance requires the common good fund to be disclosed within the financial statements and a separate common good asset register to be in place by March 2009.
34. A separate account for the common good is disclosed in the council's financial statements and a fixed asset register is also maintained for these assets. During 2008/09 the funds received income of £0.068 million (2007/08 - £0.092 million) whilst incurring expenditure of £0.036 million (2007/08 - £0.016 million). As at 31 March 2009 the funds had net assets of £1.5 million.

Legality

35. Through our planned audit work we consider the legality of the council's financial transactions. In addition the Head of Finance & Procurement confirmed that, to the best of his knowledge and belief, and having made appropriate enquiries of the Chief Executive and the council's management team, the financial transactions of the council were in accordance with relevant legislation and regulations.
36. Aspects of the housing allocation policy did not fully comply with current legislation in particular some age related restrictions on the allocation of housing. The council has reviewed this area and is in the process of developing a revised allocation policy for adoption following the necessary consultations and equalities impact assessment.
37. There are no other additional legality issues arising from our audit which require to be brought to members' attention.



Financial reporting outlook

IFRS adoption

38. Local government will move from UK Generally Accepted Accounting Principles to International Financial Reporting Standards (IFRS) with effect from 2010/11. Local government has already adopted some aspects of IFRS, which should aid the transition, and next year councils will be expected to account for PFI projects on an IFRS basis. It is important that the council starts the transition period in 2009/10. A comparative balance sheet as at 1 April 2009 will be required and whole of government accounts will also be required on an IFRS basis from 2009/10. Work has already commenced on preparing for IFRS, with officers currently reviewing existing leasing and PFI/PPP accounting treatments to ascertain the potential impact from the new IFRS accounting arrangements. Along with most other Scottish local authorities, the council has joined up to a partnership agreement between CIPFA and PwC to provide an onsite project support and advice service through the whole IFRS transition process. This partnership and approach will provide an effective way to ensure that the council achieves a consistent and accurate transition with minimum disruption.

Carbon trading commitment

39. From April 2010 a new and complex system for charging for carbon emissions will be introduced by the EU. The council will be required to purchase and account for carbon credits to cover all of its non transport related energy usage. Incentives and penalties will be built into the system to encourage a reduction in carbon emissions. At a price per tonne of £12 the cost of carbon permits is expected to be up to £0.5 million. The council will need to consider how it accounts for any potential assets and liabilities under the scheme.



Use of resources

Financial results

40. In 2008/09, Stirling Council spent £365 million on the provision of public services, £307 million on revenue services and the remainder on capital projects. Income for the year from central government, local taxation and other sources amounted to £281 million. This resulted in a deficit of £26.3 million for the year on the income and expenditure account.
41. As the council is required to set its council tax on a different accounting basis this deficit is subject to further adjustments. The main adjustments are to ensure that capital investment is accounted for as it is financed, rather than when fixed assets are consumed and that retirement benefits are charged as amounts become payable to pension funds and pensioners, rather than as future benefits are earned. The impact of these adjustments in 2008/09 was to reduce the deficit by £26 million, resulting in a deficit of £0.3 million being taken to the general fund.
42. While the general fund surplus or deficit is a key measure in managing the council's annual budget, the income and expenditure deficit indicates the underlying level of resources the council has consumed during the year. The effect of this will ultimately impact on future revenue and capital budgets as assets are maintained and replaced and pension commitments met.
43. The budget set for 2008/09 was based on a Band D council tax level of £1,209 with planned contributions of £1.19 million from reserves. Audited accounts show a net contribution of £0.44 million from reserves. After taking account of the application of earmarked reserves (£1.14 million), the general fund outturn is £1.89 million better than budgeted.
44. This outturn position masks some underlying pressures in the recurring budget position that the council will have to manage in future years. The council overspent on Children's and Community services and this was offset by a number of one off savings including:
 - an overspend on the budget for supporting care packages for vulnerable children which projected a £0.2m million overspend in Children's Services was managed and offset through reducing budgets in other areas of the service
 - an overspend of £0.554 million on the budget for Community Care due mainly to the complex care at home packages for clients with learning disabilities. Community Services partly managed this through a number of one-off savings including vacancy management resulting in a reduction to this overspend of £0.184 million



- a large increase in the number of homeless people using Bed & Breakfast accommodation was offset by one-off savings within Corporate Services.
45. The council also made significant savings (£1.7 million) on a prudent budget for interest and loan costs. The public sector is entering a period of significant financial constraint and looking forward it is likely that interest budgets will be under significant pressure, reducing the scope to use this area to help manage the overall financial position of the council.
46. The housing revenue account showed a deficit of £1.8 million for 2008/09 (£0.635 million surplus 2007/08). This is £0.4 million less than budgeted and is due mainly to a reclassification of expenditure as revenue during the year. This was a planned and authorised reduction in housing revenue account balances.

Reserves and balances

47. Exhibit 1 shows the balance in the council's funds at 31 March 2009 compared to the previous year. Funds include a repair and renewal fund to finance expenditure incurred in repairing, maintaining, replacing and renewing fixed assets. At 31 March 2009, the council had total funds of £16.9 million, a reduction £0.44 million on the previous year.

Exhibit 1

Reserves

Description	31 March 2008 £ Million	31 March 2009 £ Million
General Fund	13.70	13.41
Repair and Renewal Fund	0.45	0.45
Insurance Fund	1.96	1.81
Capital Receipts Reserve	1.23	1.23
	17.34	16.90

48. The general fund decreased by £0.29 million during the year to a balance of £13.41 million which equates to 5.8% of the council's net annual expenditure. Of this balance £6.7 million has been earmarked for specific purposes including: income from council tax discounts on 2nd homes to be used for reinvestment in affordable housing (£1.7 million); housing revenue balances (£0.4 million) devolved education management balances held by individual schools (£0.1 million) and grants monies for specific purposes (£3.9 million). This leaves an unallocated budget of £6.7 million, above the

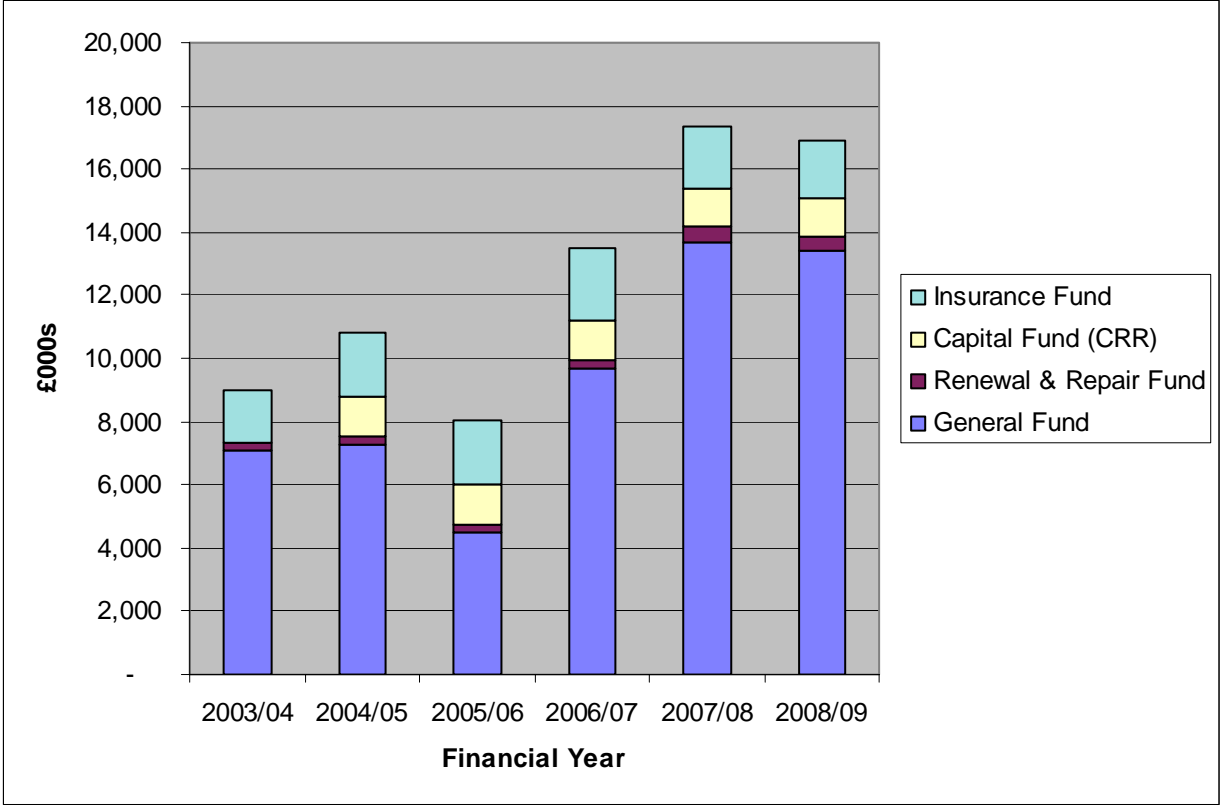


council's target range of £4 to £5 million agreed by the council in February 2008 to cope with any unforeseen circumstances. However, £3.3 million of these unallocated balances will require to be released in 2009/10 to fund the first year costs of implementing the outcomes of the council's diagnostic pathway review savings programme.

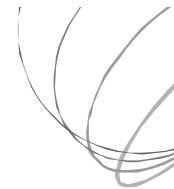
- 49. The proportion of the general fund earmarked for the housing revenue account was slightly below the council's target balance.
- 50. Over the last six years the council's general fund balances have grown from £7 million in 2003/04 to £13 million at the end of 2008/09, growing steadily from a low of £4.5 million in 2005/06 (Exhibit 2). Following the retention of a capital receipts reserve from 2004/05, other cash backed reserves have been maintained at consistent levels throughout this period.

Exhibit 2

Stirling Council cash backed reserves 2003/04 to 2008/09



- 51. The council has managed its financial position to provide increased resilience against unexpected costs and increasing budget pressures, than was the case previously. Uncommitted balances are above the agreed target range, and represent around 2.4% of the total funding and income received annually. This will provide some short term flexibility, but the council has limited opportunity to use its balances to manage any significant reductions in income and recurring expenditure pressures.



Group balances and going concern

52. The overall effect of inclusion of all of the council's subsidiaries, associates and joint ventures on the group balance sheet is to reduce net assets by £111.5 million, mainly because of pension liabilities.
53. The council has an obligation to meet a proportion of the expenditure of the joint boards of which it is a constituent member. All of these boards (Central Scotland Joint Police Board, Central Scotland Joint Fire & Rescue Board and Central Scotland Valuation Joint Board) had an excess of liabilities over assets at 31 March 2009 due to the accrual of pension liabilities. In total these deficits amounted to £360 million (2007/08 £324 million), with the council's share of these deficits being £115.2 million (2007/08 £103.3 million). The boards' accounts have been prepared on a going concern basis as pension liabilities will be funded as they fall due through a combination of employee and employer contributions, government grants and council tax.
54. Stirling Technology Projects Ltd has net liabilities of £0.174 million due to a revaluation of investment property during 2008/09. The accounts of this 100% owned subsidiary accounts have been prepared and consolidated on a going concern basis. The company's auditors have given an unqualified opinion after considering the adequacy of the disclosures made concerning the company's ability to continue as a going concern.
55. Stirling Development Agency Ltd has net liabilities of £2.237 million, including loans from the council of £4.27 million. The accounts of this joint venture have been prepared and consolidated on a going concern basis. The company's auditors have given an unqualified opinion after considering the adequacy of the disclosures made concerning the company's ability to continue as a going concern. We have also obtained management assurances about the recoverability of the council's investment.
56. The council will need to keep under review the ability of its subsidiaries and joint ventures to continue as going concerns in the current economic conditions, and the implications for it of any financial difficulties that they may experience. In doing so, it will need to consider the extent to which any continuing or additional financial support constitutes best value.

Key risk area 3

Capital performance 2008/09

57. Capital expenditure in 2008/09 totalled £57.539 million, a drop of £11.5 million from 2007/08 and £2.7 million less than budget. In-year revisions to budget arose from a number of factors, including:
 - within the City Transport Strategy there was an underspend of £1.6 million mainly due to planning delays to the A811 Kings Knot/Raploch road upgrade and therefore the award of the contract and the construction phase was delayed

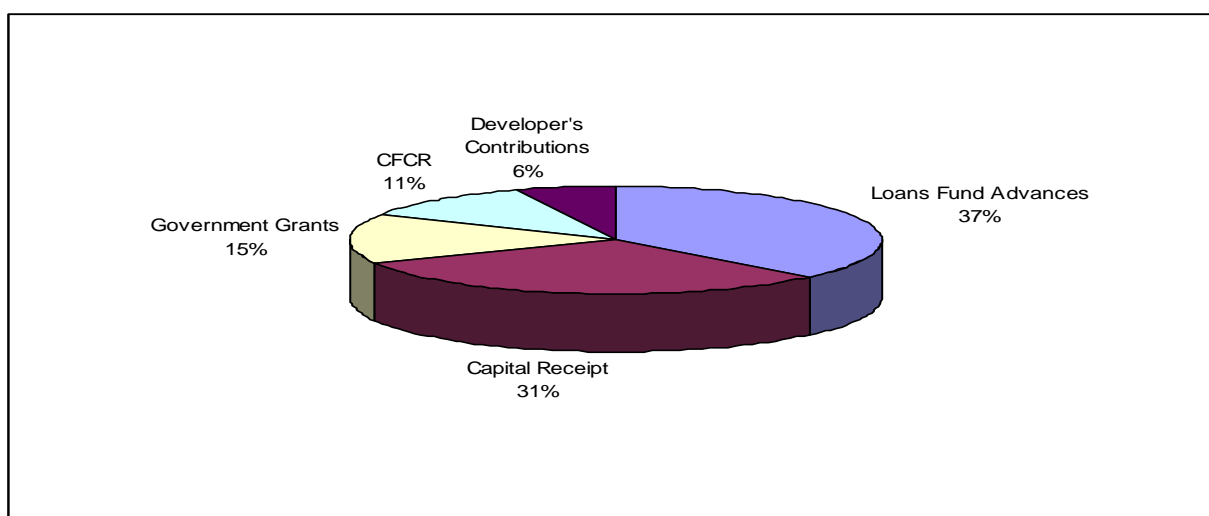


- the early completion of the sports village resulted in an overspend on the 2008/09 budget of £0.4 million for this area. There is a corresponding reduction in the 2009/10 spend and the overall project is within budget
 - underspends in relation to works at Lower Polmaise of £0.35 million where the service is establishing where budgeted amounts are most required
 - delays in contracting for non-core programmes in Environmental Services such as Zero Waste Fund (£0.2 million), Cities Growth Fund (£0.27 million) and Transport Implementation Fund (£0.29 million)
 - the funding available for capital investment in housing was adversely affected by the drop in Right To Buy sales - £1.8 million lower than expected
 - as agreed in our final report in 2007/08 the council's capital budgets included expenditure that should not be classified as capital. An exercise undertaken during the year removed these elements in relation to housing, reducing the amount charged to capital expenditure. Taken together with savings in contracts and a degree of slippage this meant the final outturn position on housing capital spending was £1.79 million less than budget.
58. The council's standard delivery plan to meet Scottish Housing Quality Standard (SHQS) targets by 2015 submitted a few years ago is in the process of being agreed by the Scottish Government. The council's investment in housing assets is planned to double in the coming years with the aim of stabilising stock numbers and addressing homelessness costs. Any slowdown in activity as a result of funding difficulties may have an adverse impact on the council's ability to meet its SHQS targets by 2015. The council has carried out a full risk and sensitivity test on their business plan, and they are aware of the possible impact of further falls in right to buy sales and have plans in place to mitigate this.
59. The sources of funding for the council's capital investment in 2008/09 are shown in exhibit 3.



Exhibit 3

Sources of finance for capital expenditure 2008/09



60. The world's financial markets are experiencing turbulence and uncertainty. There is limited scope to achieve savings through debt restructuring and it is increasingly difficult to forecast interest rate movements as the balance between preventing recession and managing inflation is sought. It is also likely that capital receipts and developer contributions will be less than forecast for the medium to long term. This means that the council will have to consider alternative sources of capital funding or further reducing capital budgets. While it is positive to note that in 2009/10 the Right to Buy sales of houses are projected to exceed budget, reducing the council's borrowing requirement by £0.5 million, there is clearly a continuing need for the council's capital planning to take account of the impact of the current economic situation.

Statutory trading operations

61. The Local Government in Scotland Act 2003 replaced compulsory competitive tendering regulations with a duty to maintain and disclose trading accounts for significant trading operations (STOs), which are required to break even over a three-year rolling period.
62. The council had five STOs in 2008/09, of which two continued to return a cumulative deficit for the three years to 31 March 2009. In the case of Building Cleaning, this was due to the impact of equal pay costs. The council has invested a significant amount of work in addressing its STO deficits, and in 2008/09, only Catering made a deficit before equal pay costs were charged. Notably, both Grounds Maintenance and Refuse Collection, which have been in cumulative deficit in recent years, have achieved a cumulative surplus in 2008/09.
63. The council will need to keep the competitiveness of its trading operations under continuing review. Where contract rates have been established in open competition or benchmarked against other



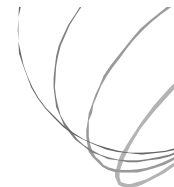
providers, deficits may indicate that the costs to the council are in excess of those that would be incurred by using alternative providers.

Key risk area 4

64. The Building Cleaning contract has been re-specified and priced to reflect changes in service standards required by client services. This together with the implementation of the single status agreement in February 2009 results in the service projecting a surplus for 2009/10. A review of Catering has been undertaken with the decision that Catering will no longer operate as an STO from 1st April 2009.

Treasury management

65. In recent years, some councils have held significant amounts of cash and temporary investments to take advantage of favourable interest rates for planned capital programmes. In these circumstances, the early borrowing must be justified in its own right as representing the best time for borrowing the amount required. This should be assessed without regard to temporary investment possibilities, otherwise the action may be judged to be unlawful or to have subjected public money to unnecessary speculation risk.
66. As at 31 March 2009, the council held cash and temporary investments totalling £12.8 million. We considered the level of temporary investments in the context of planned capital expenditure and actual borrowing activity. The council did not undertake any new borrowing during the year and has not done so for a number of years. The council has also taken advantage of the drop in interest rates to repay £22 million of debt. This has resulted in an annual net saving of £0.3 million being built into the budget.
67. The level of temporary investments gives the council a continuing degree of flexibility in managing its exposure to future interest rate increases in the short-term. Approximately 78% of long-term borrowing at the year-end matures after more than 10 years. The council has actively managed its exposure to variable interest rate movements with minimal debt exposed to variable interest rate risk.
68. The crisis in the banking sector and the collapse of Icelandic banks in particular, prompted the council to review its treasury management practices. Consequently, the council has taken specific steps to reduce investment risk, for example removing a number of financial institutions from its approved list of investees.



Financial Planning

69. The Scottish Government has made it clear that public expenditure will be constrained for the medium term. Therefore councils need to plan now for a future where there is no real growth in funding. Stirling Council continues to face difficult financial pressures in 2009/10, for example, demand led education and social care work pressures, the anticipated non achievement of diagnostic pathway review savings, homelessness costs, reduction in capital receipts, planning income and commercial rents.
70. As the council is party to the concordat with Scottish Government, amongst other things, the 2009/10 council tax has not been increased. This means that the council has had to look at other sources of income and reductions in expenditure to balance its budget. We noted that budget savings of £5 million were identified in the 2009/10 budget in relation to the diagnostic pathway reviews with savings in 2010/11 expected to be £7.3 million. The council plan to release £3.3 million of balances in 2009/10 to fund the first year costs of implementing these ongoing budget savings from the diagnostic pathway reviews.
71. In the current economic climate there are increasing demands on certain council services such as homelessness and social work and this coupled with reduced income from planning and economic development will increase the pressures on uncommitted balances.
72. Budgetary control reports for 2009/10 project overspends on service budgets of £1.8 million which is in part due to the shortfalls arising from the diagnostic pathway reviews (see below). Further ongoing budget pressures include external care packages for vulnerable children where tribunal decisions agreeing to parental placing requests results in an overspend projection of £0.78 million.
73. The council highlighted priority areas in its 2009/10 budget, setting aside £1.3 million to fund these subject to the savings from the diagnostic reviews being achieved. Current projections for 2009/10 indicate a shortfall of £1.2 million in these savings. The council considered the release of these funds to meet its planned priorities at its meeting on 1 October 2009 and has agreed to release £0.4 million of funding for these priorities with the other priorities being held pending the further demonstration that savings will be achieved – specifically in relation to free personal and nursing care.
74. The Scottish Government has recently announced its proposed budget for 2010/11. Detailed figures at Council level will not be available until late November but initial indications are that the council will be required to fund a budget gap of around £4.5m to maintain council tax at current levels for the next financial year.
75. Beyond 2010/11, the full impact of the current economic recession on future grant levels is unclear. The Centre for Public Policy for Regions (CPPR) published data exploring possible scenarios for the three year period 2011/12 to 2013/14. Directors of Finance in Scottish local government have



reviewed this work and formed their own view on the likely level of funding in the medium term, estimating a cumulative real terms reduction in funding of 12% to 14% up to 2013/14. The council has prepared medium term forecasts of its own budget position, and these will be developed as the future years' government grant position becomes clearer. In consultation with other local authorities via COSLA, the council is working to a common planning assumption of a 12% reduction in grant over the next four years, which would result in savings greatly in excess of those in previous years having to be made, to maintain council tax at current levels.

76. While this work provides a good baseline against which the council can manage its overall financial position, longer term resource planning remains limited. This restricts the council's ability to prioritise expenditure to meet its strategic objectives.

Key risk area 5

77. Unit cost is concerned with how much each service "output" costs. In common with most local authorities, the council has limited information available on these. There is little evidence of unit costs being used systematically to plan, monitor and scrutinise service performance. The focus of financial management is on expenditure, budgetary performance and the annual financial position with less emphasis on unit costs and their inter-relationships with performance and quality. A good understanding of unit costs provides building blocks that the council can use in budgeting for the outcomes it is aiming for through the Single Outcome Agreements (SOAs).

Budgetary Control

78. This year, because of the heightened importance of good budgetary control, we paid particular attention to how the council set and managed its budgets. We found that the process for budget setting had elements of good practice, for example, the social care budget for 2009/10 was increased to take account of demand led pressures which had contributed to overspends in previous years. The council also has taken account of key unavoidable pressures, mainly fiscal and pensions pressures, and has zero-based some areas of the council's budgets. Where it is essential, for example, because of contractual obligations, some budgets are uplifted for inflation, in the last few financial years the default position has been that inflationary uplifts should not be applied. A more radical review of spending priorities is likely to be required in the future to ensure that the council can balance its books and ensure that spending is appropriately aligned to corporate priorities and objectives.
79. The council has improved the quality and quantity of financial information so that budget holders and service heads are better informed to make decisions, and senior managers and elected members receive early warning of problem areas. The corporate management team kept budgets under close review during the year to improve the financial position. Budgetary control reports to members



routinely comment on variances explaining why the variance has occurred and intended remedial action being taken.

80. The council is aware of the need to take significant action to balance its future budgets. We would also suggest that there is a need to review the budget setting process itself to ensure that assumptions are reasonable, based on anticipated performance, and that contingency plans are in place to address volatile or hard to forecast budget areas.

Asset Management

81. Effective management of council assets helps the council achieve its objectives and get best value from its investment in property. Effective management benefits service delivery by making council buildings work better for staff and service users now and in the future. It also reduces the opportunity cost of money locked up in surplus property and reduces the council's carbon footprint.
82. In 2009, we published *Asset Management in Councils*. Our study found that strategic asset management was not well developed in most councils. For Scottish councils as a whole, over a quarter of all properties were in poor condition and slightly less than that were not suitable for the services being delivered from them. Suitable well-designed buildings can support good service delivery by providing staff and people using the services a safe, secure and comfortable environment. Achieving best value requires that buildings are accessible to users, in terms of their physical features, facilities and location.
83. Stirling Council holds property assets with values of over £500 million. The council's self assessment of its asset portfolio indicates that it is broadly in line with the Scottish averages in most areas. The council assessed that 25% of the buildings were in a poor condition (with major defects and/or not operating as intended) with 5% in bad condition (life expired and/or at serious risk of imminent failure). The council assessed that 17% of its buildings were either poor or unsuitable (10% were reported as in poor condition and with poor suitability).
84. The council's property costs were 5.5% of gross revenue budget which is lower than other authorities. The cost per square metre was £11.38 compared with the Scottish average of £10.81. Reactive maintenance accounted for just 34% of the total maintenance costs – this compares favourably with other authorities and in line with good practice benchmark (i.e. below 40%). While efforts have been made to make offices Disability Discrimination Act compliant the council acknowledges that work is still ongoing in this area.
85. We reported last year that the council did not have an overarching asset management strategy in place. The council has now agreed an asset strategy. More detailed asset management plans have still to be developed to set out how this will be implemented in practice. The Capital Strategy Group considered our report and suggested that the council consider service by service the condition of

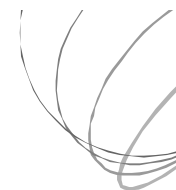


properties, to ensure all information was captured and accurately recorded. The council are to focus on service delivery issues for suitability and establish the costs of addressing issues. A report is currently being prepared for the council considering the current condition of buildings and plans for development of the asset management plans.

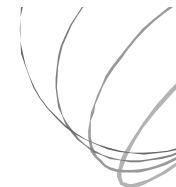
Key risk area 5

Procurement

86. Local authorities spend significant sums of money annually on purchasing goods and services and as part of the efficient government initiative, the Scottish Government anticipated that scope existed for significant financial savings through improved procurement procedures and practices. The McClelland report on procurement published in March 2006 confirmed that significant savings were possible but concluded that public sector procurement processes still had weaknesses in resources, skills, organisational structures and practices.
87. In response to the McClelland report the Scottish Government introduced the Public Procurement Reform Programme (the Programme) in April 2006. In July 2009, Audit Scotland reported the extent to which the Programme had progressed nationally. This report concluded that while some significant steps had been made, more work was required before the Programme could achieve its full potential. The key findings of the report were that while the wider impact of the Programme appears positive:
- there was no systematic basis for reporting savings directly attributable to the Programme
 - savings from collaborative contracts, a key feature of the Programme, were being achieved more slowly than expected
 - there were wide variations across public bodies in the quality of purchasing data, practice and skill levels.
88. In relation to the national centres of procurement expertise, the council has committed to migrating to National Category A contracts when current contractual arrangements expire or when Category A contracts become available for use. The Category A contract commitment includes temporary & interim labour, professional services, consultancy, electricity, telecomms, and office products. In addition, the council has been using the national IT hardware contract for some months. While the council anticipates that participation in Scotland Excel should deliver efficiency and other benefits in the longer term, it has decided that the financial costs in 2009/10 exceeded the potential savings. The council's position is reviewed regularly with the next review of full participation due in early 2010. The council currently operates joint buying arrangements with Clackmannanshire and Falkirk Councils. As contracts migrate towards the national agreements, the scope of these arrangements will also require to be kept under review.



89. Although collaborative purchasing arrangements are having some impact, the majority of the local authority procurement is arranged and processed within individual councils. In light of this, Audit Scotland recently surveyed Scottish local authorities to establish the nature of information held by councils on their procurement processes. Questions also sought information on some key procurement statistics as well as establishing if individual councils had plans to implement the key recommendations from the McClelland report.
90. The council has a procurement strategy and has developed an advanced procurement plan (Strategy Action Plan/Procurement Improvement Plan) as recommended by McClelland with the aim of achieving “improved” and then “superior” performance. However, the council has yet to report its best practice indicators as outlined in the *Best Practice Indicators for Public Procurement in Scotland*.
91. Internal audit undertook a review of procurement in 2008/09. Key areas that the council should address include:
- the continued development of its procurement processes to keep pace and promote compliance with the continually developing Scottish, UK and EU public procurement legislation, ensuring there are sufficient resources and skills across the council’s services to enable them to consistently meet the requirements of these key processes
 - undertaking a formal review of the council’s procurement arrangements and capabilities. Including consideration of the appropriate number of procurement professionals in the establishment to better satisfy the McClelland Report’s standard and to meet the future procurement skills and resource needs of the council
 - ensuring that there is sufficient capacity in services to enable them to undertake procurement planning, develop their skills and knowledge, support and to undertake effective scrutiny of their contract spend and compliance with legislative, council policy and procedural requirements
 - ensuring that the procurement team still has sufficient authority to challenge services’ procurement activities, making procurement risks potentially easier to control
 - the continued development of its options for using modern “e-enabled” tendering and procurement systems to improve efficiency and effectiveness, achieve transaction cost reductions and deliver “best value” in procurement
 - ongoing development of the arrangements to provide the “annual assurance” on procurement activity required by the McClelland Report best practice, through co-ordinated activity between Services, Internal Audit and the Procurement Team.



92. Progress on the above areas is to be reported to Governance & Audit Committee by the end of the year.
93. The council has made significant progress with its procurement arrangements over the last few years and has identified a number of issues for action that will enable it to continue to progress the recommendations of the McClelland Report and implement a truly 'best-practice' procurement capability. The Scottish Government has developed a single Procurement Capability Assessment (PCA) to promote the sharing of best practice and continuous improvement across the Scottish public sector. The objective of the PCA is to assist organisations to improve their structure, capability, processes and ultimately performance, by attaining the best standards that are appropriate to the scale and complexity of their business. The council is yet to undertake this PCA to assess progress on McClelland requirements and the council's position in terms of benchmarking with other local authorities. Scotland Excel is currently completing PCAs within councils and in August 2009 they agreed that the council's assessment be delayed until 2010, with agreement to be reached in January or February 2010 about the exact timescale for the assessment.

Managing People

94. We reported last year that an Organisational Development and Learning Strategy, which aims to provide a framework to address and support the positive development of Stirling Council's culture in line with its Strategic Plan, was under development. The council has made progress in developing workforce planning during the year. The council's management team agreed the Organisational Development and Learning Strategy in January 2009 and a draft human resource strategy is to be considered this month.

Key risk area 5

95. The council-wide process for individual performance management, Personal Review and Development, has been initiated with heads of service and service managers with plans in place to roll this out across the rest of the council over the next few years. Due to significant organisational restructuring the roll out plans are currently being realigned.
96. The council undertook a survey of all its employees, '*In Touch*' in 2008, the results of which are available to all staff on the council's intranet site. This highlighted a number of issues with an action plan agreed at the council's management team in September 2009. The actions being taken to address some of the issues include:
- the council's Employee Well-Being Group has carried out a survey in those council services where workplace stress appeared to be an issue. Responses identified workload and lack of



management support as the principal sources of stress. These responses will be used to develop actions in this area

- developing the programmes in line with the Organisational Development Strategy as outlined above
- re-launching the updated code of conduct and promoting the diversity programme and e-learning modules (council's intranet site) to address the fact that almost one in five responding indicated that they had personally experienced discrimination, harassment or bullying at work during the last 12 months
- developing communication and improving support available in periods of change.

97. The council implemented Single Status in February 2009. Given the possible liability for equal pay claims from workers up to 16 February 2009 the council has recognised a provision (£5.94 million) as the best estimate of the expenditure likely to be required to settle any obligations. The implementation of single status should help reduce the risk of further claims.

ICT

98. The council makes good use of ICT to support and deliver services. It has a clear strategy for the future development of ICT that is clearly linked to the council's objectives and restructuring plans. As the lead council for implementing the OneScotland Gazetteer (a national scheme for providing geographic and property information), the council works closely with the Improvement Service and with Forth Valley GIS Ltd, which is the data custodian of the OneScotland Gazetteer.

Data handling and security

99. Data handling and security has received increased public and media attention recently as a result of a number of national incidents relating to lost data. The council shares data with a number of organisations such as the Department for Work and Pensions, Central Scotland Police and NHS Forth Valley. Information security is now a service delivery issue where a significant failure of controls could lead to loss of stakeholder confidence and opt out from services, higher compliance costs due to enforcement action, withdrawal of third party services such as payment card processing and legal fees relating to civil and criminal litigation.

100. We reviewed data handling at the council last year and we found that while basic control measures are in place, there were some weaknesses. Since then there have been improvements in several areas, such as the encryption of data taken off council premises and the update of data handling policies. Although an action plan was agreed, review of governance aspects was delayed while the



diagnostic programme was underway. The division of responsibilities between the Head of Governance and the Business Transformation and Technology Manager is still to be resolved.

Key risk area 6

Shared Services

101. The Accounts Commission commented on the lack of progress in developing shared services in its *Overview of the local authority audits 2008*. They recommended that councils should give this high priority in the light of financial pressures and the drive for efficiency.
102. While the council has explored a number of options with neighbouring local authorities for the sharing of services to a significant degree, ultimately these have not come to fruition. There are a small number of shared service initiatives within the council including Joint Buying Arrangements and Forth Valley GIS Ltd. The council has stated a commitment to pursuing shared services on a small scale, where possible, and needs to identify opportunities through a continuing programme of reviews. It is likely that the council will be reliant on working much more closely with neighbouring councils and other public sector organisations if it is to release the level of savings required. There is much to do before specific plans are developed and implemented.

Outlook

103. Clearly we are in a period of reduced economic growth with big implications for the council's resources and the demand for services. The council needs to remain alert to the impact of the recession on the community it serves and what that means for its own objectives and services. At the same time as the council tries to support its local economy and provide best value services, it is likely to face a reduction in resources.
104. The council will be faced with making difficult financial decisions to balance future budgets. The scale of the financial challenge facing all Scottish councils is significant and the council will require to work hard to ensure that it gets the most out of the limited resources that it will have at its disposal, and that it targets these appropriately to priorities. Better long term resource planning will help the council to do this.



Governance and accountability

Introduction

105. We believe that an effective council is committed to high standards of probity and can demonstrate high standards of governance and accountability. It has effective political and managerial structures and processes to govern decision-making and the exercise of authority within the organisation, supported by mature and effective relationships between members and officers. An effective council is committed to public performance reporting as a key element of public accountability. It clearly sets out service standards which reflect the needs of local people and other stakeholders, and is balanced in its presentation of the council's strengths, weaknesses and challenges for the future.

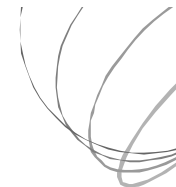
Structure and policies

106. Corporate governance is about direction and control of organisations. Councils are large complex organisations and so good governance is critically important. The council has a local code of corporate governance, but has not yet reviewed its own arrangements following the issue of revised best practice guidance on *Delivering Good Governance in Local Government*. A draft assessment was undertaken reflecting the current Local Code of Corporate Governance. This assessment indicated that further consideration needed be given to a range of issues (exhibit 4).

Exhibit 4

Corporate governance– areas for improvement identified by the council

- Overseeing the strategies of the Community Planning Partnership and hold these to account (also ensuring alignment of community planning strategies with service and operational plans).
- Monitoring the progress on Single Outcome Agreement as it is taken forward by the Community Planning Partners (whether to establish protocols between partners re performance reporting and dealing with underperformance).
- Ensuring clarity of accountability between officers, members and partnership representatives (decision making, performance and financial).
- Ensuring that the council's performance management framework is rolled out (including public performance reporting).
- Consistent timetabling of planning and budgeting review processes across services.
- Reviewing the council's risk management arrangements
- Updating the financial regulations and council's contract standing orders.



107. The council should develop an updated Local Code of Corporate Governance in line with the current guidance and establish firm plans to address the issues identified in annual reviews of effectiveness.

Key risk area 7

108. Effective scrutiny is central to good governance, with a significant role for members to scrutinise performance, hold management to account and support the modernisation agenda. The current political management arrangements have scrutiny committees in place. The Governance & Audit Committee acts as the council's audit committee and its remit includes a requirement to monitor the strategy, plan and performance of internal audit and to consider the plans and reports from external audit. The Service Delivery & Performance Committee remit includes scrutinising the decisions of the Executive, overseeing the development of corporate frameworks in relation to Best Value, scrutinising service budgets and operations.

109. The Governance & Audit Committee operates in a very effective manner and makes an excellent contribution to scrutiny in the areas of its remit. It is well attended and its remit and working practices are in accordance with good practice principles.

110. We understand that the council is currently reviewing its political management arrangements. This review should ensure that scrutiny of decision making and performance is effective across the range of committees. It should also make clear where reports from external scrutiny bodies, including inspection reports, national studies and overview reports, are best considered.

111. There has been significant movement in the council's senior staffing and structures in the past year. A new chief executive took up post in April 2009 and he has subsequently revised the management structure. A Strategic Leadership Team, comprising the chief executive and three assistant chief executives, has been established and is responsible for ensuring delivery of the council's Strategic Plan, the council's contribution to Stirling's Single Outcome Agreement and the council's Corporate Improvement objectives.

112. The operational management of the council is the responsibility of the Stirling Council Management Team which comprises the Strategic Leadership Team and eleven Heads of Service. The Heads of Service have full management responsibility for service delivery, customer focus, continuous improvement and efficiency. They are directly accountable to the Chief Executive who is supported in the management of their performance by the Assistant Chief Executives.

113. A diagnostic pathway review also looked at the organisational structures and was designed to help to address the immediate budget gap in 2009/10 by reviewing the structure of the council, in particular looking at levels and layers of management as well as the way administration support is provided. The review identified sixty six management posts that should be removed from the establishment and a further fifty administration posts. One hundred posts have been removed with the rest planned over



a phased basis by 31 March 2010 without the need for compulsory redundancies. These changes will require to be tightly managed to ensure that efficiency savings are delivered as planned without impacting on the level or quality of services provided to an unacceptable degree.

Roles and relationships

114. The Accounts Commission recommends that councils give priority to the continuous professional development of its members. The Scottish Local Authorities Remuneration Committee (SLARC) recommended that all councillors should have training assessments and personal development plans in place by 31 March 2009. The council has decided not to follow SLARC's recommendations and the council is currently considering the next steps in this area. The council has however undertaken specific training for members and has published up to date training records for councillors on its website.

Key risk area 8

115. There have been complaints about the behaviour of individual members to the monitoring officer and Standards Commission and a councillor has been disqualified and barred from election for 18 months. There are significant risks to the success of the council if roles, responsibilities and expectations of members are not clear or understood or if the behaviour of individual members is disruptive and disproportionate effort is required to manage continuing relationships.

116. Following the decision to disqualify the councillor, the council in June 2009 requested refresher training for all members on the Code of Conduct and a Leaders' Group has been established to oversee all matters of governance and the political management of the council, including any questions arising in terms of the Code of Conduct. The refresher training is planned for October 2009.

Partnership Working

117. Single Outcome Agreements (SOAs) have been introduced across Scotland following the concordat between central and local government in November 2007. Development of the SOA for Stirling and the underpinning governance and performance management arrangements has been a key issue for partnership working, building on established community planning approaches. Our interest in SOA relates primarily to how effective they are as a planning and performance management tool. Although progress against outcomes will be an important source of evidence for future BV audits, we do not audit the delivery of SOAs.

118. In May 2009 members of the Stirling Community Planning Partnership approved the 2009-2012 SOA. The SOA incorporates 31 local outcomes. These have been gathered across 10 broad strategic topics/ themes. These are clearly linked to the 5 Scottish Government strategic objectives and 15



national outcomes. The initial SOA for 2008/09 was developed in conjunction with the council's Strategic Plan, which was effectively the council's delivery plan for the SOA setting out details of how outcomes were to be delivered. Work is required to align the council's strategic plan to the updated SOA, to better ensure that the council's activity appropriately supports the overall aims of the SOA.

119. The council is applying a 'Common Purposes' approach to provide a shared understanding of each Head of Service's role, remit, area of responsibility and address the key challenges facing the council. It is planned that this will take place through reviews to be undertaken over a 13 month period looking at each Head of Service area to appreciate what contribution the service is making to the expected outcomes contained in the Single Outcome Agreement and how the council can enhance the inter-service relationships to improve service delivery.
120. A range of 72 local outcome indicators have been identified within the SOA to help manage progress to the desired outcomes. A subset of 23 indicators have been identified as the primary indicators that are seen by partners to have the most strategic importance. The remainder are considered to be a secondary indicator set, which are seen as important for local monitoring of outcomes and are planned to be used by the partnership and individual partners to assess progress and identify trends.
121. This performance management framework serves as the basis for regular reporting progress on the delivery of the council's plans through its quarterly performance reporting, Stirling Stat and quarterly financial reporting. An overall summary of progress on the 2008/09 SOA was approved for submission to the Scottish Government in October 2009. This refers to work being taken forward in the 2009/10 SOA.
122. It is recognised that SOA approaches remain at an early stage of development. Key areas for further development include:
- how to oversee the strategies of the Community Planning Partnership and hold individual bodies to account for the delivery of these (ensuring alignment of community planning strategies with partners, council services and operational plans)
 - how to monitor and manage the progress on SOA as it is taken forward by the Community Planning Partners (considering whether to establish protocols between partners regarding performance reporting and dealing with underperformance).
123. The effectiveness of partnership working at a strategic level is not always consistent. Although there is evidence of effective partnerships in some areas, a recent SWIA report highlighted that there was evidence of a lack of collaboration between services and that the council as a whole needed to do more as the corporate parent for looked after children, in particular for young people leaving its care. The council acknowledges the need to establish greater partnership working in key areas of service delivery and is establishing a corporate parenting officers group in conjunction with NHS Forth Valley,



Stirling Community Health partnership, Central Scotland Police, the Reporter to the Children's Panel and voluntary and private sector partners.

124. In 2008, older people's services across all of NHS Forth Valley were the subject of a multi-agency report, '*Multi-Agency Inspection of Services for Older People in Forth Valley*' (MAISOP). The report identified that in the Stirling Council area partners did not have a well-developed understanding of the whole system approach and that services needed to improve the way they commissioned services for older people. Following the MAISOP report, action has been taken to develop services for older people by establishing a project board to oversee the implementation plan. The plan focused on steps to shift the balance of care and together with NHS Forth Valley the council has drafted a capacity plan and a joint commissioning strategy for services for older people.

Community engagement

125. The council has a strong track record of working with local communities and taking a systematic approach to defining their needs. Local community planning structures have appropriate community representation.

126. The council has a number of means of communicating with the community. For example the Tenant Participation Strategy clearly outlines tenant participation targets. The strategy also makes reference to the development of a Tenant Participation Strategy Implementation Plan that will be agreed and monitored with tenants' representatives. It is of note that the council does not monitor performance against the various standards contained in the strategy and there is no evidence of the implementation plan being agreed and monitored. We also saw no regular monitoring and review of consultation with tenants and the effectiveness of their participation in decision-making.

127. The council has adopted the national model scheme for establishment of community councils which has reviewed areas including ensuring the community councils are genuinely representative of their communities and that the interfaces with local authority decision making processes were clear.

Public performance reporting

128. The council continues to develop its performance management reporting arrangements including the measurement and monitoring the 2008/09 Single Outcome Agreement outcomes. A range of reports are published on the council's website and available in hard copies in public libraries and council offices including:

- Stirling Stat: looking at key indicators' performance and reporting hot spots and proposed actions
- the quarterly service performance reports



- the Annual Improvement Statement incorporates actions from the Best Value Improvement Plan that are of continuing importance and also any high level improvement actions subsequently identified through other mechanisms (e.g. external audit, inspections)
- web pages providing improved public performance reporting information
- Single Outcome Agreement: progress in relation to outcomes
- statutory performance indicators: summary of results
- performance in relation to key performance indicators annually in its Annual Report included in Stirling Focus

129. CIPFA/SOLACE recommends that councils use this guidance to report annually on their governance arrangements effectiveness. The council undertook some work early in the year to prepare for the intended publication of an annual Governance Report and Annual Governance Statement, but this was postponed due to the significant restructuring that subsequently took place. The council is currently considering how best to take this process forward with a view to publishing such a statement in future years.

Arms length organisations

130. The council is involved with a number of external bodies including arms length companies. While the use of arms length arrangements can offer innovative ways of delivering services, strong governance arrangements need to be in place to ensure that they contribute effectively to delivery of the council's corporate objectives and priorities. Internal audit has previously identified concerns about contract monitoring and governance arrangement.

131. The council needs to consider its overall risk exposure across these bodies regularly, looking at the contribution of each individual arrangement to the council's strategic priorities. There are risks of ineffective monitoring of governance and performance arrangements (e.g. delivery of service) in external organisations in which the council has an interest. We are undertaking a high level overview of the council's involvement with three associated bodies and will issue a separate audit report by the end of 2009.

Outlook

132. Partnership working is critical to the council's success. The Accounts Commission acknowledges that SOAs are still at an early stage of development. If they are to be successful the partnership will need to develop effective governance and accountability arrangements to support effective working and the delivery of overall aims.



Performance management and improvement

Introduction

133. We believe that an effective council has a clear and ambitious vision for what it wants to achieve for its locality and communities to secure high quality services and effective outcomes for local people. The vision is effectively promoted by the member and officer leadership of the council and supported by staff and partners. It is backed up by clear plans and strategies to secure improvement, with resources aligned to support their delivery. An effective council has a performance management culture which is embedded throughout the organisation. The council's performance management framework is comprehensive and integrated with service planning and delivery. Staff have a customer first culture. The council is able to demonstrate significantly improved outcomes for citizens and more effective and efficient services because of its performance management arrangements.

Vision and Strategic Direction

134. The Single Outcome Agreement and the community plan is at the centre of the council's planning framework and cascades to service plans. The council and its partners present a clear vision for the future of the area.

135. The council has an ambitious vision for Stirling, focused on clear priorities. However, it has recently experienced a significant transition in managerial leadership, following on the back of changes to the political administration. The full impact of these changes will only become evident over time.

136. A key initiative for the council is the introduction of a leadership and management development programme. Initial work has recently started on this.

Performance management

137. The council has made significant improvements to support more effective performance management. Performance reports are regularly compiled and monitored by officers and members through the relevant committees.

138. While there are improvements in the corporate approach, it is clear that in some areas there is limited evidence of performance information being cascaded and discussed within local teams or with individual staff. The roll out of the Personal Review and Development should provide the linkage



between council's targets and performance through to teams and individuals targets and performance. We will monitor this development in future years.

139. Each year the Council publishes an Annual Improvement Statement, which states the priorities for improvement throughout the year, compiled from a variety of sources, including: External audit and inspections; Performance reporting mechanisms; internal scrutiny reviews, and; actions not yet completed from the Best Value Improvement Plan. However, the council has yet to introduce a corporate approach to self-evaluation to take a more rounded view of its overall performance and to systematically identify key areas for improvement. The council also recognises the need to improve option appraisal, market testing and benchmarking to help demonstrate that its services offer best value.

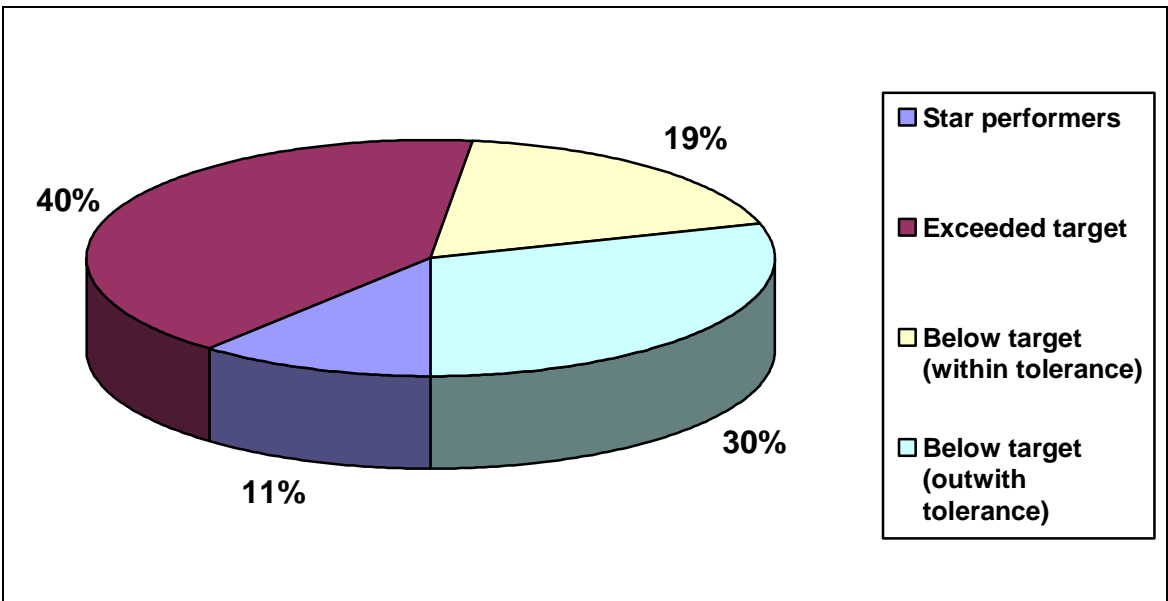
Overview of performance in 2008/09

140. The council report Stirling Stat has been established, and is reviewed by both senior officers and members quarterly. It draws on a number of local and statutory performance indicators to provide an 'at a glance' a summary of key aspects of performance. Further development to the indicators included in Stirling Stat is planned.

141. Exhibit 5 summarises progress over 2008/09 against the 27 targets measured through the Stirling Stat which were reported to members in June 2009.

Exhibit 5

Achievement of Stirling Council's targets 2008/09





142. During the year there have been some significant operational achievements, for example benefit processing times were on average 5.9 days despite the increased volume of council tax benefit and housing benefit applications, online transactions are almost double the target set, and land-filled biodegradable waste is almost half the target level. The council continue to face a range of challenges including, managing absences, community care assessments and waste collection. It is of concern that eleven of the indicators showed a deterioration in performance.

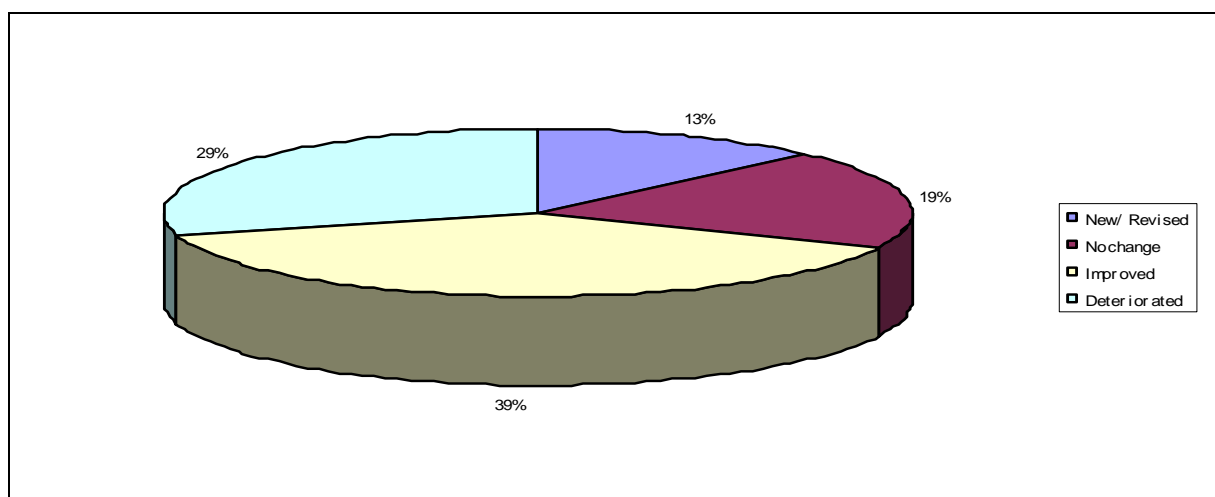
Statutory performance indicators

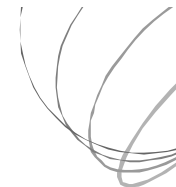
143. One of the ways of measuring council performance is through the statutory performance indicators (SPIs). Within the council, some of the key SPIs are already included within the Stirling Stat indicators reported to members. With regard to 2008/09, a total of 58 SPIs were required. These were published by 30 September 2009 and were submitted to the council's Service Delivery and Performance Committee. SPIs provide a consistent form of measurement for councils to review their performance over time and to make comparisons with other councils. In overall terms, Exhibit 6 confirms that the council has made improvement in a number of areas.

144. Museum attendances per 1,000 population increased significantly from 464 to 734. This has been largely attributed to the success of the 2008 exhibition of Leonardo da Vinci drawings at the Stirling Smith Art Gallery and Museum. The percentage of road network that requires maintenance has decreased from 47.5% to 44.8%, which may reflect the impact of the council's investment in roads maintenance. The percentage of Stirling's municipal waste that is recycled or composted, already above the national target of 40% by 2010, continues to rise. This could be one of the reasons behind increased costs of refuse collection and disposal and further work will be required to examine these costs and their appropriateness.

Exhibit 6

Improvements demonstrated by SPIs 2008/09 (Total 58 indicators)





145. Each year we review the reliability of the council's arrangements to prepare SPIs. No SPIs were considered unreliable this year, as the method of counting library visitor numbers (the only indicator considered unreliable last year) changed for 2008/09. Overall, the quality of working papers provided to support the SPIs continued to be good, although in a few cases there is some scope for improvement with some indicators changing following the audit.

146. A number of indicators were new this year or had been revised so that a comparison with previous year's results would be inappropriate.

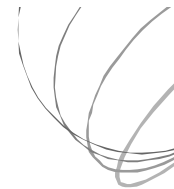
Inspections

147. A Social Work Inspection Agency (SWIA) report on the inspection of social work services in the council was critical, with two areas identified as weak (leadership & direction and capacity for improvement). Several areas were highlighted as adequate with only the management and support staff being rated as good. The issues highlighted included:

- improving the outcomes for older people
- improving services for people with learning disabilities
- doing more as a corporate parent for looked after children, in particular for young people leaving the Council's care
- the speed of modernisation of the service due to a lack of leadership in change and improvement (services not being delivered effectively or efficiently)
- improving the use of performance information to drive improvements
- improving the role of the chief social work officer to drive up performance and standards

148. SWIA also questioned the feasibility of achieving the planned savings from the diagnostic reviews in relation to social care within the proposed timescales. The report also highlighted that the impact of the changes planned had not been appropriately appraised to ensure management capacity was sufficient. The council have agreed an action plan indicating how they will address the main recommendations of the SWIA report. The council should ensure it monitors progress against these actions.

149. The Housing Regulator has just completed an inspection of the housing service with a report due early in 2010. We will monitor the outcome of the regulators findings.



Equality and Diversity

150. In 2008, we published a study examining how councils responded to their race equality duty, *The impact of the race equality duty on council services*. This study found that all councils have developed policies and processes on race equality. A number of initiatives are in place to meet the diverse needs of local communities, such as the provision of interpretation and translation services, and information packs for recent migrants. However, councils lack information about minority ethnic communities, their needs and experiences. Councils are also unable to show how race equality is routinely built into the design and delivery of services.
151. The council's Diversity Working Group (DWG) - a cross service officer group, has delegated responsibility for delivery of the equalities and diversity agenda across the council. The opportunity was taken to discuss the national reports findings prior to their publication and these were taken on board by the group in developing the council's Race Equality Scheme for 2008-11. The updated scheme is more tightly focussed and refers to significant issues including Equality Impact Assessments (EQIA), members training, and outcome measures.
152. The council's equality schemes are currently being updated to build on its Equalities Policy Framework to identify how the council will challenge discrimination and promote equality. The schemes action plans are monitored on a regular basis. The council recognise that EQIA completion is not being undertaken on a regular consistent basis across services but is actively working to improve this. We will monitor progress in this area in 2009/10.
153. The equalities scheme requires managers to undertake equality/diversity training. There is a two day course and training for the majority of managers has been undertaken. The training has been opened to all staff with over six hundred staff undertaking the two day course. The council also recommended that members undertake this training – to date ten members have attended the two day course. Other courses are being developed and equalities and diversity training is included within the council's induction training. Therefore a large proportion of staff (particularly those with contact with the public) have received general awareness training in equalities issues to ensure that they are familiar with legislative duties and their role in carrying out these duties.
154. The council recognise that the collection of service related equalities data is inconsistent and has identified this as an area for improvement.

Efficiency

155. The Diagnostic Pathways Programme was initiated by the Scottish Government 2008. It has been co-ordinated by the Improvement Service with all 32 councils participating. Within Stirling Council specific



improvements and efficiency opportunities have been identified and developed into a programme of work that is seen by the council as fundamental to the its budget strategy and service improvement agenda.

156. Nine outline business cases were considered by the council's Management Team in September 2008 and the council had subsequently agreed to take forward some of these opportunities immediately with the initial objective of achieving in excess of £5 million of savings in the financial year 2009/10, with further recurring savings in future years. Other projects would follow on to improve support to management and service delivery across all Services. The efficiencies are to be achieved via three key work streams:

- rationalisation of management and administration establishments
- procurement efficiencies
- rationalisation of social care service delivery.

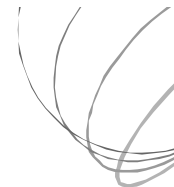
157. Work has been progressed across a range of activities during the year, with the council undergoing significant restructuring as part of the first of these work streams. The 2009/10 projections now indicate that £3.8 million of these savings will be achieved in the current financial year, less than the amount previously planned. Key aspects of this anticipated shortfall are:

- a social care shortfall of £0.9 million, mainly relating the procurement of care services for vulnerable children where contract negotiations are ongoing (£0.4 million impact) and the council's decision not to proceed with the closure of two care homes (£0.3 million).
- a reduction in the savings achievable through the procurement workstream of £0.16 million relating to the use of agency staff, which requires further development to achieve the savings anticipated.

158. As required in the use of resources section above, the council will require to achieve significant efficiencies and other savings in the years ahead. This will require continuing review across all of the council's activities and effective coordination of the council's efforts.

Key risk area 9

159. Tackling climate change and making the best use of resources require the efficient use of energy. In 2008, we published a report on this subject: *Improving Energy Efficiency*. Our report concluded that the public sector in Scotland has made progress in using energy more efficiently, recording a 5% decrease in energy consumption in councils for the three years to March 2007. However, the amount spent on energy, over the same period, increased by 47% due to price increases. Public bodies are recommended to develop and implement robust energy strategies and to encourage the necessary changes to culture and behaviour. As mentioned above, Stirling Council has signed up to a Carbon



Management Plan which commits the council to a 20% reduction in carbon emissions by 2013, and should reduce the overall energy costs of the council by £1.6m by 2013.

160. Stirling Council had been involved in the Carbon Trust's Public Sector Carbon Management Programme since May 2007. The Trust provided organisations with support to follow a standardised process to realise carbon emissions savings from activity under their control, such as from buildings, vehicle fleets, street lighting and landfill sites. The 2008/09 financial year was the sixth phase of the programme in Scotland. The final group of Scottish local authorities to participate, including Stirling Council, forwarded draft 5-year Carbon Management Plans to the Carbon Trust at the end of March 2009 for subsequent approval by each council. The council's 2006/07 emissions baseline gave a total of 39,000 tonnes of carbon dioxide equivalent from council activities. A total of 18 projects for reducing emissions had been identified and an emissions reduction target of 20% from the baseline by 2013 had been proposed. The Carbon Management Plan has been agreed by the council.

Progress on delivery of the council's best value improvement plan

161. A full review of best value and community planning was published in March 2005, and a Best Value Improvement Plan was developed to take forward the areas for action identified in the audit. Since 2005 considerable progress has been made with some actions now complete and others in progress. In view of the Scottish Government's commitment to streamline improvement processes and mechanisms and the progress that has been made, in 2008/09 the council signed off the existing Best Value Improvement Plan and incorporated actions in its Annual Improvement Statement.

162. The council has completed or significantly progressed many of the actions contained in its improvement plan. As a result, overall it has made reasonable progress in addressing the key issues raised, although this took longer than originally envisaged. Changes to political governance arrangements, including the introduction of scrutiny committees, and a much improved approach to performance management have underpinned more effective scrutiny and challenge by elected members. Some success has been achieved in addressing previously poorly performing services, although there remains work to be done. A more coherent approach to public performance reporting is in place.

163. The main issues that remain to be fully addressed or where improvement work is continuing include:

- continued development of the performance management framework, with a particular focus on aligning service planning and budgeting processes and introducing a recognised model for evaluation;
- development and implementation of an overarching corporate asset management plan;
- implementation of the organisational development strategy;



- implementation of the councils business transformation strategy/ diagnostic review programme;
- improve key aspects of service performance.

Risk Management

164. The council has an established risk management framework and guidance. A Corporate Risk Management Group meets monthly and has representation from across the council. This provides a firm basis on which to further develop the council's approach. The Corporate Risk Manager leads the Corporate Risk Management Group and is responsible for the effective application and development of the framework, training and supporting other staff in their risk management activities. The recent introduction risk management software should have a positive impact.

165. Internal audit recently reviewed the council's risk management arrangements and found a number of key areas for improvement:

- updating the council's risk policy and framework to reflect the current situation including recent structural changes
- ensuring there is an effective link between the council's management team and the Corporate Risk Management Group
- undertaking a review of reporting arrangements and the risk register as outlined in the framework
- improving the service and council Risk Registers' data to ensure it is complete, timely, accurate and up to date
- reviewing the process for escalating risks from services to the council to ensure it is sound

166. We will monitor the council's progress in implementing internal audit's recommendations.

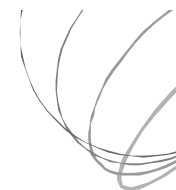
Outlook

167. The development of the SOA and supporting arrangements has the potential to improve planning and performance management significantly. However, the long term and complex nature of many of the outcome targets, pose many challenges for performance management, for example, in evidencing how the council's action make a difference to the area. A key challenge for the council will be integrating and aligning its approaches to support delivery of the desired outcomes.

168. We are currently developing our approach to best value 2 by working with five pathfinder councils. From April 2010, we shall be rolling out the new approach to all Scottish councils. The timing of council's best value audit will be determined by a risk assessment. We will report the risk assessment in the first half of 2010. The risk assessment will be carried out in conjunction with other scrutiny



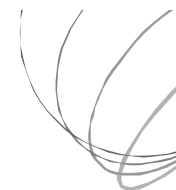
bodies. That means that not only will it determine the timing and scope of the best value 2 audit of the council, but it will also identify the timing and scope of other scrutiny work. Along with the other bodies, we intend to publish a scrutiny plan for each council covering all scrutiny activity over a three year period.



Appendix A

External audit reports and audit opinions issued for 2008/09

Title of report or opinion	Date of issue	Date presented to Audit Committee
Annual Audit Plan	27/2/09	12/3/09
Race Equality Impact Assessment	1/4/09	N/A
Strategic Audit Risk Analysis	30/4/09	11/5/09
Review of Main Financial Systems	22/9/09	TBD
Education Maintenance Allowance	29/6/09	N/A
Central Scotland Safety Camera Partnership	31/7/09	N/A
Criminal Justice claim certification	31/7/09	N/A
Statutory performance indicators	31/8/09	N/A
Drug & alcohol services in Scotland – impact assessment	10/9/09	N/A
Overview of mental health services – impact assessment	10/9/09	N/A
Report on financial statements to those charged with governance	28/9/09	28/9/09
Audit opinion on the 2008/09 financial statements	28/9/09	28/9/09



Appendix B: Action Plan

Key Risk Areas and Planned Management Action

Action Point	Refer Para No	Risk Identified	Planned Management Action	Responsible Officer	Target Date
1	15	<p>Accounts preparation</p> <p>Final accounts preparation processes and working papers merit some review.</p> <p>Risk: Accounting and auditing processes require significant additional work.</p>	<p>A general review of final accounts processes takes place following the audit of each year's accounts. The comment about working papers will be taken on board as part of that review, and appropriate improvements made.</p>	Head of Finance & Procurement	31/3/10
2	20	<p>City of Stirling Business Parks (Investments) Ltd</p> <p>A loan of £0.285 million is in dispute with this joint venture company.</p> <p>Risk: The council's investments in the company are not recognised.</p>	<p>The issue will continue to be pursued with the CSBP (Investments) Ltd, and appropriate accounting entries made in the 2009/10 accounts.</p>	Head of Finance & Procurement	31/3/10
3	56	<p>Financial position of group entities</p> <p>The council will need to keep under review the ability of its group entities to remain as going concerns in current economic concerns and the implication for it of any financial difficulties that they may experience.</p> <p>Risk: Financial difficulties experienced by group entities have a negative impact on service delivery and/ or the council's finances.</p>	<p>This point is noted, and the council are aware of the need to keep a close watch on the financial performance of these companies. An internal audit of these companies is currently being carried out.</p>	Head of Finance & Procurement	31/3/10
4	63	<p>Significant trading organisations (STOs)</p> <p>Two of the STOs continue to return cumulative losses.</p> <p>Risk: The council may not be achieving best value from current arrangements for services provided by STOs.</p>	<p>These two areas are currently the subject of review, and the Head of Assets, Property & FM will be bringing proposals to the Management Team and subsequently the Council for changes to these services.</p>	Head of Assets, Property & FM	31/3/10



Action Point	Refer Para No	Risk Identified	Planned Management Action	Responsible Officer	Target Date
5	76 85 94	<p>Strategic resource planning</p> <p>Continued work is required to implement strategic and joined up approaches to the management of the council's resources – including a longer term financial strategy, corporate asset management plan and people strategies.</p> <p>Risks: Resources are not effectively targeted at priorities;</p> <p>Resource plans are not properly aligned and do not take account of capacity or longer term implications of council decisions.</p>	Through closer working relationships in the Strategic Leadership Team and the revised Management Team, strategic linkages between the various overarching strategies will be strengthened. The Assistant Chief Executives in particular will be responsible for driving forward a more integrated approach to resource planning in future and keeping this under review within the SLT and Management Team groups.	Strategic Leadership Team Council Management Team	Ongoing, with progress regularly being reported to the Management Team
6	100	<p>Data handling and security</p> <p>The division of responsibilities between the Head of Governance and the Business Transformation and Technology Manager is still to be resolved to address the action plan in this area.</p> <p>Risk: That those responsible for compliance have limited access to the technical resources to implement and monitor controls</p>	This issue is acknowledged and the Head of Governance & the BT&T Manager will be working together to clarify responsibilities.	Head of Governance BT&T Manager	31/12/09
7	107	<p>Local code of corporate governance</p> <p>The council has not yet reviewed its local code to ensure that it is consistent with new best practice guidance issued by CIPFA/ SOLACE.</p> <p>A number of areas for improvement were identified in a review of existing arrangements undertaken by the council.</p> <p>Risk: Corporate governance arrangements are not fit for purpose.</p>	The review of the Local Code of Corporate Governance will be co-ordinated by the Head of Governance, and will be carried out in the second half of this financial year. The delay has been due to the changes in officers' remits and responsibilities.	Head of Governance	31/3/10



Action Point	Refer Para No	Risk Identified	Planned Management Action	Responsible Officer	Target Date
8	114	<p>Members development</p> <p>The council has decided not to follow SLARC's recommendations in relation to the development of a role, training needs assessment and personal development plans.</p> <p>Risk: Elected members are not adequately supported with appropriate training and development.</p>	<p>This work has been delayed, due to illness and the subsequent change in the organisational structure. It will require input from Governance, the Organisation Development Team and the four political groups, and the key tasks still need to be identified. It is hoped that this work to specify the scope of the exercise can be carried out in the second half of this financial year, and with a start also being made on programme delivery before March 2010.</p>	Head of Governance	31/3/10
9	158	<p>Savings and efficiency</p> <p>The council anticipates a significant real terms reduction in the resources available to it over the medium term and has forecasted that it will need to identify savings of up to £25 million over the next 4 years.</p> <p>Achieving the level of savings required will require continuing review across all of the council's activities and effective coordination of the council's efforts.</p> <p>It is likely that the council will be reliant on working much more closely with neighbouring councils and other public sector organisations if it is to release the level of savings required. There is much to do before specific plans for this are developed and implemented.</p> <p>Risk: The council cannot balance future budgets without a significantly compromising its ability to deliver on its priorities and corporate objectives.</p>	<p>This major and very serious issue has already been raised with elected members and the Council Management Team, and briefings have also been arranged for Service Managers. The Management Team in particular are developing an action plan for addressing the issue and this will be shared with elected members at the earliest opportunity.</p> <p>Trade unions have also been briefed on the issues via the corporate bipartite forum, and they will be involved in progressing any actions where they can make a contribution</p> <p>It is inevitable that the services provided by the council, and the levels to which they are provided, will be affected to some extent or other, and it may not be possible to avoid adverse impact in each case. Difficult choices are going to have to be made.</p>	<p>Strategic Leadership Team</p> <p>Management Team</p> <p>Trade Unions</p> <p>Service Managers</p>	Ongoing over 2010/11 to 2013/14