Aberdeenshire Council

Targeted Best Value audit work 2012/13

AUDIT SCOTLAND

Contents

Commission findings

1. The Commission accepts the Controller of Audit's report on targeted Best Value work in Aberdeenshire Council.

2. The Commission welcomes the positive response made by the council to the Best Value targeted work. This supports our view that the council has good self-awareness.

3. We are encouraged by the council's good progress with its leadership development programme; in improving corporate working; and in reducing staff absences. We note the substantial amount of improvement activity underway and we expect this to provide clear and objective evidence as the council decides how services are provided into the future.

4. We urge the council to enhance leadership by elected members in setting improvement priorities. The council also needs to assure itself that the public sees its scrutiny arrangements as transparent and objective. Budget planning and monitoring are also areas worthy of continued improvement.

5. The Commission notes that the progress of the council against its improvement plan will be reported as part of the annual audit process.

Introduction

At its meeting on 20 June 2013, the Accounts Commission considered a report by the Controller of Audit providing an update on Best Value audit activity arising from the shared risk assessment process. As part of his report, the Controller reported the outputs from audit activity targeted on specific aspects of Best Value in Aberdeenshire Council.

At its subsequent meeting on 22 August 2013, the Commission agreed that the Controller of Audit report formally on the work on Aberdeenshire Council to the Commission.

Aberdeenshire Council received the report in February 2013 and considered it at a full council meeting on 25 April 2013. At that meeting, the council approved an improvement plan to address the findings of the report.

The council's progress against these areas is being monitored by the external auditor to the council and will be reported in the Annual Report to Members for 2012/13.

Background

1. The Best Value audit report on Aberdeenshire Council was published in 2008. The findings concluded that the council was clear about its overall direction and priorities and had been effective in establishing a culture of continuous improvement. However, the findings also noted that to deliver Best Value fully the council needed to adopt a more strategic approach and to coordinate its plans more effectively. The council needed to increase and maintain the pace of change and to ensure that initiatives were followed through and evaluated.

2. The first Assurance and Improvement Plan (AIP) for Aberdeenshire Council was published in July 2010. This set out the planned scrutiny activity for the council for the period April 2010 to March 2012 based on a shared risk assessment undertaken by a local area network (LAN) made up of representatives of all the main local government audit and inspection agencies. The LAN met again in November 2011 and the AIP update for the period 2011-14 was published in May 2012.

3. The LAN noted that the performance of council services continue to raise no significant concerns. At the corporate level it was identified that there had been an improvement or sustained performance in a number of key areas, for example governance and accountability, risk management and financial management. Despite there being evidence of progress in performance management, this remained an area of uncertainty. Some uncertainty had also emerged as a result of the requirement for efficiencies in the workforce and challenges in delivering these efficiencies.

4. The updated AIP for 2012-2015, prepared by the LAN set out an assessment of risk and the scrutiny required for Aberdeenshire Council. It included targeted Best Value audit work in 2012 to consider:

- Leadership - specifically the impact of senior management reorganisation.

- Challenge and improvement - including self-evaluation, performance management and competitiveness/benchmarking.

- Managing people - specifically managing the workforce reductions.

5. In addition to the work identified above, we also examined the council's approach to equalities. This work was not in response to an identified risk area but was at the request of the council to assist in its drive to mainstream equalities throughout council work.

6. The audit work was carried out in October and November 2012, by a team from Audit Scotland. We gratefully acknowledge the cooperation and assistance provided to the audit team particularly by Colin Mackenzie, Chief Executive and to Amanda Roe, Performance Manager and all elected members and officers contacted during the audit.

Conclusions

Leadership by senior managers

The council is developing a strong senior management team that is improving strategic leadership.

7. Senior management leadership had been identified as an area of uncertainty through the shared risk assessment process due to the significant amount of change that has occurred over the past two years:

- The number of directors has reduced from seven to four.

- Early in 2011, the assistant chief executive left the council and the post was not replaced.

- Two new directors (education, learning and leisure, and infrastructure) were appointed during 2010-11.

- October 2011, change in who held the post as the head of finance, which is also the council's Section 95 officer.

- Between March 2009 and March 2012, the number of heads of service has reduced from 29 to 19 and at third tier manager level, the number of posts has reduced by 27, from 105 to 78.

8. While this was part of the council's planned approach to secure efficiencies and establish a more focused and leaner senior management structure, the LAN considered this an area of uncertainty in relation to how the council was managing the change, to ensure that skills and knowledge were not lost and that resilience was maintained. The audit work focused on the impact of the new senior management arrangements and how the process of change had been managed.

9. Aberdeenshire Council's Strategic Management Team (SMT) provides good leadership for the council. Senior managers have an inclusive and visible management style and promote good communication in the workplace. The SMT includes the chief executive, directors, an area manager and the three statutory officers. The council also has an effective Management Team (MT) which includes all area managers, and heads of service. Leadership is being further developed at the individual service management team level including heads of service and support service managers.

10. The council continues to develop its senior management capacity and as a result there is good corporate and cross service working. The council has put in place an extensive leadership development programme that supports induction of senior management and recognises the need for succession planning. The programme includes regular leadership forums, leadership master classes on specific topics, a mentoring programme for senior staff, events such as 'Aspiring to be corporate director/head of service' and Aberdeenshire Career Exploration programmes for future leaders. Senior managers particularly highlighted the benefits of 'active learning sets' which challenge management behaviours with a focus on

problem solving to promoting a corporate approach. This involves groups of senior officers problem solving difficult issues with facilitator support. Initially this approach was used by the MT and has now been rolled out to senior officers through management teams.

11. The council also undertakes 360 degree feedback for directors and heads of service. This has resulted in both the SMT and the MT acting cohesively and supportively. Both focus on the corporate agenda and by working together at various levels has improved cooperation between services and business areas.

12. The council has good awareness of where it needs to improve its leadership and has plans in place to address this. It is undertaking a review of the role and remit of its senior management team meetings to address the changes in the senior management landscape, the reduction in staff numbers and revised roles and remits. The review will also consider the need for a greater strategic focus around the business discussed at meetings.

13. Staff are increasingly positive about the leadership of the council. The staff survey results in September 2012 show that 68 per cent of respondents agreed that the person they reported to demonstrated effective leadership in areas such as setting direction, bringing people with them, encouraging improvement and leading by example. Furthermore, 47 per cent of staff agreed that senior managers engage effectively, which is a notable improvement from the 2010 survey result of 31 per cent.

Challenge and improvement

The council has a good awareness of where it needs to improve and supports a culture of continuous improvement among staff. While it has introduced better governance arrangements at officer level to oversee improvement activity, it is still in the early stages of providing clear prioritisation, coordination and reporting on the impact of its improvement work.

14. Through the shared risk assessment process in 2011, the LAN concluded that challenge and improvement was an area of uncertainty. The council had been simplifying its approach to improvement planning by consolidating its existing improvement plans. The council's Best Value improvement plan and corporate improvement plan have been consolidated within individual service plans with the aim to make service plans the main vehicle for improvement planning. In addition, the council had introduced an Improvement Programme Board (IPB) comprising senior officers to take the lead on prioritising, managing and reporting on performance and improvement.

15. At the time the AIP was published in May 2012, the council was aiming to deliver a report on a council-wide self-assessment based on *How good is my council?* by June 2012. This would have been the first time the council had conducted a self-assessment at this high level.

16. Our audit work therefore focused on the effectiveness of the council's arrangements to drive improvement and the impact this has had in improving services. In particular we looked at:

- How well the new arrangements to support improvement are working, including how effectively *How good is my council?* has been used as a self-evaluation tool and the

- effectiveness of the improvement programme board in monitoring the council's improvement work.

- The role of the strategic management team in identifying, prioritising and scrutinising improvement activity.

- How individual services are identifying, prioritising and driving forward improvement activity, reporting impact and assessing if this has been embedded into service planning.

- The degree of elected member involvement in developing improvement plans, prioritising improvement activity and in scrutinising impact.

- The degree to which the council can demonstrate service improvement.

17. The council is in the early stages of developing its programme of self-evaluation. The council introduced its *How good is our council?* (HGIOC*)* self-evaluation programme in July 2011 and carried out a council-wide evaluation between November 2011 and March 2012.

18. The council can show that it has used the HGIOC framework effectively to facilitate improvement. The council assessed itself as 'good' in five out of the six high-level questions, meaning that it recognises that it has important strengths but with some areas for improvement. These five high-level questions covered; the key outcomes it had achieved, how well it meets the needs of stakeholders, how good its delivery of key processes is and how good its management and leadership is. It assessed itself in the sixth question covering its capacity to improve, as having both the capacity and capability to continue to improve. We found that the council's assessment was a fair evaluation of its strengths and showed good awareness of the areas for improvement.

19. Following the self-evaluation exercise the council developed improvement actions for the period 2012/13. Progress against these improvement actions is overseen by the Improvement Programme Board (IPB). In December 2012, the IPB considered a report that noted overall progress was 27 per cent complete, with some areas for improvement well advanced and all on track to deliver within timescale.

20. The council has introduced new arrangements that allow directors and heads of service to have an oversight of service-level and corporate improvement activity. It has set up:

- A Business Transformation Programme Board (BTPB), chaired by the director of corporate services.

- An Improvement Programme Board (IPB), chaired by the director of infrastructure services.

- Four Service Improvement Boards (SIB).

21. Services take the initial lead in identifying and prioritising improvement activity through service planning and performance reporting. This work is further coordinated by the four SIBs which are responsible for identifying and prioritising improvement activity within each service.

22. The IPB oversees the improvement activity at council level and is attended by the chairs of the SIBs who provide regular updates on improvement activity in each of the four services. The BTPB oversees business transformation under three workstreams: Working Smarter

(including Worksmart and workSPACE); Customer Services (including Improving the Customer Experience) and Supporting Employees (including Employee Relationship Management).

23. The governance arrangements have been in place for around 18 months and there are clear remits for each of them, but further work is needed to develop the role of the boards, particularly in prioritising improvement work and identifying, monitoring and reporting the benefits from improvement activity. Elected members should receive an annual report on the work of the BTPB; however to date there has been no such report. The IPB reports to SMT. While elected members receive reports on progress against service plans which contain service improvements; the council should strengthen the role of members in scrutinising the council's overall improvement agenda.

24. The council has been proactive in undertaking a range of improvement activity across its services. However it is still in the early stages of streamlining its improvement activities and does not yet have a clear approach to prioritisation. The council recognises this and the SIBs and IPB are working on a prioritisation project which it expects to report in spring 2013. The aim of this project is to put in place a plan of all the improvement activity in the council to assist in the coordination of cross-cutting corporate projects, the allocation of resources and the oversight of all improvement work.

25. The council does not systematically evaluate the impact of its improvement activity and savings are not always planned and monitored in detail or challenged at an appropriate level. While senior managers can articulate the benefit of improvement work in their services, there is not a comprehensive or common approach to capturing and reporting on impact. The council is now addressing this and is working with its external auditors to develop an approach to benefits realisation and has set a target date of May 2013 for this work to be completed.

26. While councillors demonstrate good scrutiny of council performance they have limited involvement in developing improvement plans, prioritising improvement activity and scrutinising impact, particularly of the savings being made. Councillors take a reactive rather than proactive role in considering the impact of improvement activity and recognise that there is inconsistent scrutiny of the impact of improvement plans.

27. The council is, in general, improving its service performance.

- In education, learning and leisure there is overall good performance, particularly with regard to pupil destinations. Aberdeenshire is maintaining its previous position of 40 per cent of pupils progressing to higher education, which is higher than both comparator councils and the national average.

- In social work, the inspection of care services directly provided by the council demonstrates strong performance.

- The council's provision of housing services shows improving performance and rising tenant satisfaction with the service. Overall there has been an increase in the number of council dwellings that are free from serious disrepair, that are energy efficient and that

are meeting the Scottish Housing Quality Standard. The council's management of empty houses is improving as is its management of rent arrears.

- In development services, the council has increased the number of household and non householder applications dealt with within two weeks.

28. The council's provision of waste services is not performing so well. The percentage of municipal waste recycled or composted and 'biodegradable municipal waste sent to landfill are ranked 25 and 28 out of 32 councils respectively. However, the long-term trend is improving.

Performance management and benchmarking

The council has a clear performance management framework in place and has improved its approach to monitoring and reporting performance. Elected members have a greater focus in scrutinising the council's performance. The council does not systematically collect, monitor and report on benchmarking activity to help it identify where it needs to improve.

29. The council's performance management arrangements had been identified as an area of uncertainty through the shared risk assessment process. The LAN also identified some uncertainties in relation to competitiveness and benchmarking.

30. Our work focused on the effectiveness of the Aberdeenshire Performs framework in capturing performance information, supporting benchmarking, facilitating comprehensive performance reporting and helping identify areas for improvement. It also looked at the integration of strategic planning, performance monitoring and improvement activity and how the council is using benchmarking to identify where it needs to improve. It also considered the effectiveness of member and officer scrutiny of the council's performance.

31. Aberdeenshire Council is consolidating its performance management arrangements. The aim is to bring together the following strands of planning and performance management into a cohesive framework:

- strategic planning
- performance management
- performance monitoring
- improvement activity.

32. The council has a clear performance management framework in place. The Aberdeenshire Performs framework enables the council to have a direct link through team plans, to business plans to service plans and performance reporting. During 2012/13 the council began to incorporate all council improvement activity, identified through either self-evaluation or external scrutiny, into this framework. The aim is to ensure improvement activity supports relevant council or service key objectives and that it is appropriately resourced and prioritised. In addition, the council continues to seek ways to improve how it reports its performance information to allow more effective scrutiny at its committees, the IPB and SIBs.

33. The council has improved its approach to monitoring and reporting performance. The council reports its performance through exception reporting. It has improved the quality and presentation of performance information. These improvements have been well received by members. While this approach to reporting performance is still in the early stages of development, there have been improvements in the quality of information and how it is presented. Members consider that the performance reports they receive are comprehensive with information being made available in advance of meetings.

34. Improvements in the quality of performance information have led to elected members providing more focused scrutiny of performance. Elected members have open access to the performance management computer system and can drill down into more detailed performance information as they choose. Members have also taken the opportunity to scrutinise performance in detail and engage in dialogue with officers outwith the normal committee reporting route, through area performance seminars at area committees. These group discussions have led to elected members exploring service performance and current issues in depth.

35. In January 2012 the council projected an underspend of £10.719 million against its 2011/12 budget. In April 2012, the council reported that the final underspend amounted to £20.236 million, significantly exceeding the earlier projection. On investigation the council's internal audit team identified there were a number of variances between the figures projected in January and the final figures. Some of the variances are attributed to vacancies in permanent teachers, infrastructure services and waste disposal; lower capital financing costs and contracts not being let. The council has accepted that they should have known about these variances; however the issue was that the information that services provided to the finance team was incomplete, so the reports going to the wider MT did not reflect an accurate budget position.

36. The council has put more stringent arrangements in place for monitoring the revenue budget savings and in particular the levels of any underspend. Services are now being actively encouraged to flag up any issues to the finance team at an early stage. Also, as part of the 2013/14 budget process, the council has undertaken a risk-based review of the budgets that had material levels of underspend to establish how the budgets could be reduced without impact on service delivery. These budget re-alignments will not impact on the staffing complement levels and are not permanent, therefore will be fed back into the revenue budget in future years once the recruitment issues are resolved. In the most recent budget briefing, officers are recommending that a strategy be developed in each service to tackle these recruitment levels and improve staffing levels. The Scrutiny and Audit Committee now receive a full report at each committee showing progress against each saving rather than the exception reporting that occurred previously.

37. The chair of the Scrutiny and Audit Committee is not an opposition councillor, which is not in line with good practice principles for audit committees. The vice chair is however an opposition member and there is a good balance of elected members from a range of backgrounds that contribute positively to how business is conducted. The council refers examples of poor

performance to this committee for more robust scrutiny or further investigation, for example housing and council tax performance is regularly considered at the committee. The committee has commissioned external facilitation from CIPFA to help it further develop its scrutiny and audit function and has put in place a forward work programme of workshops and investigations to assist it in this.

38. The council does not systematically collect, monitor and report on benchmarking activity to help it identify where it needs to improve. The council is aware that benchmarking is an area which requires further development and identified this as an improvement area through the recent self-assessment *How good is our council*? Its assessment identified that benchmarking is not undertaken consistently across services and there is not a common understanding of what benchmarking is and how it can be used.

39. The council has plans in place to develop its approach to benchmarking. It has invested in a new corporate performance management system, of which a key consideration was its ability to support wider benchmarking, for key statutory and local indicators. While individual services can identify examples where they have undertaken benchmarking, this is not comprehensive and consistent across council services. The council will use the SOLACE/Improvement Service benchmarking project to improve its approach to benchmarking.

40. Elected members demonstrate a clear understanding of the benefits of benchmarking in driving service improvements and challenge officers for comparative information during meetings. The Scrutiny and Audit Committee has also identified benchmarking as an area for investigation and are in the early stages of scoping out this work with plans to report in the spring of 2013.

Managing people

The council has a comprehensive approach to people management through a workforce strategy and action plan. It is aware of the challenges it faces in recruiting and retaining staff and in maintaining a skilled and resilient workforce. The council works well with staff and their representatives to address these challenges through a variety of initiatives and can demonstrate progress in reducing sickness absence among staff and increasing the number of participants in the Worksmart programme.

41. The council's approach to managing people had been identified as an area of uncertainty due to recent and planned workforce reductions. The council's Worksmart initiative is intended to develop a more efficient, flexible workforce.

42. In November 2010 the council indicated that in order to make the required savings in its revenue budget for 2011 to 2013, in a worse case scenario, it would need to reduce the workforce by 900 full-time equivalent posts (FTE). This was approximately ten per cent of the workforce. In September 2012 the council reported that the workforce had reduced by 319. The council has taken action to minimise the reduction in staff numbers by managing vacancies, reducing levels of overtime, minimising the use of agency staff and reducing the

number of temporary posts. Some posts which had been identified by directors have been deferred pending council decisions on rural schools and libraries.

43. The audit considered the extent to which the council's approach to planning for and managing its workforce reductions minimises the effects of skills loss, identifies and addresses skills gaps and ensures resilience in the streamlined workforce.

44. The human resources and organisational development service is structured in such a way as to support the council in delivering the key elements of its workforce strategy. It includes four units:

- Health, Safety, Wellbeing and Risk Unit.
- HR Operations - Business Partner, Mediation & Employee Relations and HR Support Unit.
- Learning and Development Unit.
- Organisational Design, Recruitment and Strategy Unit.

45. The council has a comprehensive approach to people management through its workforce strategy and action plan. It has a workforce planning toolkit that includes data on staff numbers and age profile which assists in the profiling and planning for its workforce strategy. The strategy is linked through its planning framework to service planning and service reviews. A key element of the strategy is the recruitment and retention of staff and developing its staff along with associated actions such as introducing a learning and development strategy, piloting the proposed competency framework and development scheme framework.

46. The council has effective policies and systems in place to assist it manage its workforce. It is undertaking a range of activities to help it minimise the impact of the reduction of its workforce. These include improving its understanding of the workforce profile and training opportunities, such as the provision of more targeted learning and development opportunities that meet individual's needs as well as support the business of the council. Its leadership development programme outlined in paragraph ten helps minimise skills loss and builds resilience in its workforce. It has also made changes to working practices to make the council more attractive to prospective employees. The council agreed in January 2013 to introduce a living wage supplement, which offers a minimum hourly rate for employees. It has also approved the introduction of the Empty Homes Loan Scheme to get empty properties back on the rental market and made available as affordable housing.

47. The council shows a good understanding of the challenges it faces, particularly around its ability to recruit and retain staff in a competitive environment. It uses a range of approaches to manage, retain and realise the potential of staff through re-skilling, secondments in other business areas, attracting workers to specific posts, a 'growing your own' approach and a review of roles and responsibilities. These, along with its workforce planning toolkit, aim to identify and address future gaps. These initiatives have been effective in managing and retaining its workforce, there has been an increase in the council's retention rate for staff from 73.8 per cent in 2010/11 to 75.7 per cent in 2011/12 and turnover for voluntary leavers reduced from ten per cent to 8.4 per cent over the same period.

48. In January 2013 the Scrutiny and Audit Committee were advised that the MT were undertaking a review of recruitment and retention issues and will report back on this later in the year. Officers are recommending that a strategy be developed in each service to tackle recruitment levels and improve staffing levels.

49. The council can show improvements in its sickness absence levels. The total number of days lost per year through sickness absence for employees, excluding teachers, has reduced from 71,343 in 2010/11 to 67,803 in 2011/12, for teachers there has also been a reduction in the total number of days lost per year through sickness absence. Both sickness absence levels are below the Scottish average.

50. The council's Worksmart programme is enabling flexibility in how it deploys its staff. The aims of this initiative are:

- Increased productivity: To allow the council to make the best use of staff resources and reduce unnecessary travel time such as routine visits to offices to update records and collect files.

- Asset management: Improving council accommodation to provide quality access for the public and modern facilities for staff through a better utilisation of space with the potential over time to reduce the number of buildings and their associated costs. This has developed into the workSPACE project.

- Improve sustainability: Through considering the impact of activities on the environment such as reducing travel to work mileage, reducing premises costs for lighting and heating.

51. The Worksmart programme is highly regarded by staff, which is demonstrated by positive perception measures based on manager and officer feedback, reported to the Policy and Resources Committee. It is on schedule to exceed the anticipated number of employees and has the backing of the trade unions. At November 2012 there were 1,564 Worksmart participants with a further 355 staff having applied to change their working pattern. This achievement was against a target of 1,780 for the three years.

52. An internal audit report in October 2012 found that there has been no actual, measured productivity or efficiency savings (which could be separated from other initiatives) to demonstrate the impact that Worksmart has had. The council considered an update report on Worksmart at its Policy and Resources Committee in January 2013. This provided details on the numbers of participants and shows the success of the Worksmart initiative.

53. The report identified that over the three years that Worksmart has been in place, there has been a £126,540 saving on business mileage, and a saving of 411,749 commuting miles, saved by employees working from other locations closer to home or from home. This has had an impact in reducing carbon emissions (kgCo2 of 102,378). Furthermore it identified property savings through the release of nine offices leased by the council, the saving of running costs through vacation of four offices and the receipt of capital through the sale of a further office. The committee has received a commitment for a further report on the impact of this against the original business case, however no specific date has been given for this.

54. The council engages well with its staff and involves a range of staff at all levels in its improvement activity. It has a 'change channel' tool that allows staff to submit ideas for improvement and the council's intranet Arcadia provides staff with good information on developments within the council. Senior staff engage in 'back to floor exercises' to engage with staff and the chief executive's blog provides for a two way dialogue on key issues affecting staff.

55. The staff survey results found that 60 per cent of respondents agreed that Aberdeenshire Council was an excellent organisation to work for, an increase of ten per cent from a similar question asked in the 2010 staff survey. It also found that regarding their team or work group, 87 per cent of respondents agree they have a regular opportunity to read or hear about council news, initiatives and events. Furthermore, 79 per cent agree they can contribute to making improvements within their area of work and 78 per cent agree that their team regularly gets together for team updates, discussions or depot meetings.

Equalities

Aberdeenshire Council has the structures and processes to deliver the equalities duties but needs more engagement from elected members and staff at all levels. It has robust plans in place to identify the main equality issues for the council and its communities and to raise awareness of elected members and staff on equalities issues.

56. The audit work also examined the council's approach to equalities and the extent to which this is mainstreamed across services and in decision-making. This work was not in response to an identified risk area but was at the request of the council to assist in its drive to the mainstream equalities throughout council work.

57. The council has made good progress in implementing its Multi Equality Scheme (MES). The MES covers the period 2010 to 2013. The MES is reported annually to the council's Policy and Resources Committee and was last reported in February 2012. The scheme includes 55 actions and the council reported that of these, 41 actions had been completed, five were on track and nine not on track. Good progress is also being made it delivering the equalities improvement actions from the HGIOC self-evaluation exercise.

58. The council is proactive in driving the equalities agenda. It has commissioned Grampian Regional Equality Council (GREC) to carry out an equalities mapping exercise to identify what the main equalities issues are in Aberdeenshire. The council itself has contributed equalities issues from a range of consultation and engagement activity that it has undertaken within the area with local community groups. The council used this initial mapping exercise to undertake focus groups with local communities across Aberdeenshire in October and November 2012. The aim of these focus groups was to test if the key issues, arising from the evidence gathered, matched up with the experiences of the citizens of Aberdeenshire in 2012. The council is using the evidence collected to develop equality outcomes for reporting to council by

April 2013. This will help it to meet the specific duties of the Equality Act 2010 to publish equality outcomes and report progress.

59. The council has robust plans in place to develop and promote equalities but needs to ensure that all staff are aware of their responsibilities and the impact they have in delivering fair and better outcomes for communities. The council is raising awareness of the equality issues with staff by improving the range of training opportunities available and through the provision of information on Arcadia, the council's Intranet for staff communication. The council has an established Corporate Equalities Group (CEG) that includes representatives from all services as well as NHS partners and a local voluntary group. It undertakes a range of activities that promotes equalities including leading on the awareness raising, the development of Arcadia and representation on a number of external groups.

60. The council cannot demonstrate that equalities are routinely considered in its decision-making as it is not highlighted in committee reports. The council is now addressing this with specific paragraphs being added to all relevant reports from April 2013. This, along with training for elected members, should help to ensure that equalities are considered more systematically in the council's decision-making.

61. There is further scope for the council to work with elected members to promote equalities for the Aberdeenshire area. The council does not have an elected member equalities champion and there are no elected members on the CEG. There is limited reporting on equalities issues to council other than the reporting of the MES to Policy and Resources. However, elected members have been provided with training on the 'The Public Sector Equality Duty and Specific Duties'. This training contained specific reference to the need to proactively consider equalities in relation to decision making. The session was interactive in getting elected members to work through question areas. By January 2013, 70 per cent (48 out of 68) of elected members had attended training with further sessions and briefings planned.

Improvement agenda

62. This improvement agenda details the areas for improvement that we have identified during our targeted audit work.

63. The council needs to:

   - Continue to develop its leadership development programme and progress improvements in its corporate working.

   - Prioritise its improvement activity at corporate and service level.

   - Evaluate the impact of its improvement activity.

   - Involve elected members in prioritising improvement activity and in scrutinising the impact of that activity.

   - Develop service level recruitment and retention strategies in order to better manage its staffing levels.

   - Systematically collect, monitor and report on benchmarking activity to help it identify where it needs to improve.

   - Continue to promote and raise awareness of equalities with staff and elected members and ensure that equalities issues become a key consideration in decision-making.

64. We would ask the council to report the findings of this report to the relevant committee and develop improvement actions to respond to the above improvement agenda. The council should bring to our attention any improvement plans.

65. The council's progress against these areas will be monitored by the external auditor to the council and reported in the Annual Report to Members for 2012/13.