

# The Moray Council

## Targeted Best Value audit work 2012/13



Prepared for Accounts Commission by the Controller of Audit  
September 2013

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# Commission findings

1. The Commission accepts the Controller of Audit's report on targeted Best Value work in The Moray Council.
2. The Commission welcomes the improvement plan put in place and being taken forward by the council in response to the Best Value targeted work.
3. The council has strengthened its leadership as it addresses improvements. We are encouraged by this and the momentum can continue if the council fulfils its commitment to its development programmes for officers and members.
4. We believe that there would be substantial benefit for the council in integrating its various strategic plans and strands of improvement work. We also see the potential of a more coordinated approach to seeking and making use of the views of customers. We urge progress to these ends.
5. The Commission recognises that the council's performance against its improvement plan will feature in the annual audit process. We ask the Controller of Audit to report back to us on progress in 18 months' time.

# 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 The Moray Council.

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

The Moray Council received the report in May 2013 and considered it at a full council meeting on 22 May 2013. The council subsequently produced an improvement plan to address the findings of the report and this was approved at a full council meeting on 7 August 2013.

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 and 2013/14.

## Background

1. The first Best Value audit report on The Moray Council was published in February 2006. The findings concluded that the council lacked some of the fundamental elements of Best Value, including a clear vision and strategic direction, political and corporate leadership and effective performance monitoring arrangements.
2. Progress reports, published in August 2007, February 2009 and November 2010 highlighted that while the council had made some improvements in the corporate leadership and strategic direction of the council, limited progress had been made in elected member leadership. The capacity to sustain continuous improvement and the pace of improvement needed to increase.
3. In February 2011, the council identified a number of improvement actions in response to the 2010 progress report. However, none of these improvement actions had been completed by the time the annual audit report for 2010/11 was published in October 2011. This was concerning given that the most recent progress report had highlighted the need to progress improvement actions quickly.
4. The 2012-2015 Assurance and Improvement Plan (AIP), published in May 2012, highlighted that while there had been some evidence of progress, there were still some areas of risk and uncertainty. It concluded that targeted Best Value audit work was required in the autumn of 2012 to consider:
  - Leadership and culture
  - Challenge and improvement
  - Customer focus

- Equalities
  - Risk management
  - Measuring and reporting against SOA (Single Outcome Agreement) outcomes.
5. Our audit work involved reviewing council documents, observing council meetings and interviewing elected members and senior council officers. The conclusions from this targeted work also fed into the shared risk assessment process for 2013/14. We gratefully acknowledge the cooperation and assistance provided to the audit team particularly by Roddy Burns, Chief Executive and Bridget Mustard, Corporate Policy Unit Manager and all elected members and officers contacted during the audit.

# Conclusions

## Leadership and culture

**Political and officer leadership has improved since the October 2010 progress report. The council is aware of areas for further and continued improvement. However, the council needs to consolidate its strategic planning arrangements so it can more clearly demonstrate progress.**

6. The AIP 2012-15 published in May 2012 highlighted political leadership as an area of significant scrutiny risk, particularly regarding the slow pace of change since the last Best Value progress report in 2010. This was concerning given the report highlighted the need to progress improvement actions quickly.
7. Our audit work focussed on the effectiveness of elected member leadership in setting the vision and strategic direction of the council, the pace of change and strategic planning arrangements.
8. The local government elections in May 2012 brought changes to the political leadership of the council. Approximately one third of members are new to the council. Although the coalition administration group remains the same, there is now a new leader and convener in place. The council has also clarified its political leadership roles, with the leader taking more of a strategic, outward looking role and developing the vision for Moray. The convener has the key civic responsibilities but is also now responsible for oversight of council business and to ensure a corporate approach is taken to development of policies and provision of services in Moray.
9. The council has a number of strategic plans currently in place. These are:
  - a Corporate Plan up to the period 2013 agreed in January 2011
  - a Corporate Improvement Plan, *Best Value for Moray*, agreed in November 2011
  - a set of administration priorities, agreed in September 2012
  - a Single Outcome Agreement (SOA) for the period 2012-2015 (however, as at November 2012, this was still incomplete).

## Political leadership

10. Elected members are becoming more engaged in setting the vision and strategic direction of the council and demonstrate increased ownership of their responsibilities. The leader is developing a more strategic, outward facing role, representing the council nationally, for example at COSLA. He is responsible, along with the convener, for leading improvements within the council. Committee chairs are now more involved in setting the priorities for committee business, while the convener maintains an oversight by meeting regularly with committee chairs to ensure priorities move forward. Elected members recognise the

importance of community planning and the administration group played a significant role in compiling the SOA 2011/12 performance report.

11. Elected members are demonstrating more visible leadership, with a better understanding of the concerns and priorities of local communities and employees. In autumn 2012, the leader and convener led the public consultation events on council savings and elected member attendance overall was good. The convener also played a key role at the employee conference held in October 2012 and elected members are participating in service site visits with the Corporate Management Team (CMT) to listen to staff across the council. In December 2012, the Community Planning Partnership began the process of conducting an area based review with the support of the Scottish Futures Trust, to identify how council services could be delivered by 2020. Elected members are actively engaged in this exercise, making them well placed to develop, with partners, a joined up strategic vision for the Moray area.
12. The council will need to continue to act decisively in making difficult decisions to deliver its budget savings. The council has stated that it needs to find £30 million of savings by 2016/17. During the autumn of 2012/13 the council carried out an extensive round of public consultation on the budget. The aim of this consultation was to seek the views from the public on what services they wished to protect and where savings could be made. This commitment to consultation is encouraging.
13. In February 2013 the council agreed their budget for 2013/14, removing £7 million from the budget through a range of measures including removing the subsidised bus services, the closure of seven libraries, removal of support for arts development and a one-year reduction in roads' maintenance. As part of the budget consultation, the public were asked to rate services in order of priority. This identified that care of the elderly, primary and secondary education and supporting vulnerable and disabled adults were the most important services and museums, music instruction and arts development were the lowest priority services.
14. At the time of our audit work, the council had a coalition administration group of 13 elected members (ten Independents and three Conservative) and 13 opposition elected members (ten Scottish National Party and three Labour). In effect, the council did not have a majority administration. As a result of a by-election in March 2013, the council now has an administration group of 14 elected members (11 Independents, three Conservative) and 12 opposition elected members (nine SNP, three Labour). There is no evidence to suggest the delicate political balance is currently causing any problems in decision-making; however elected members need to continue to work together across political parties, to ensure this remains the case.
15. While there are signs that political leadership is getting better, there are still areas for improvement. In July 2012, the council approved a range of governance documents and protocols to clarify how members and officers should work together. These include the roles of elected members, the leader, the convener and also clarify meeting procedures between committee chairs and directors. This was to improve working relationships between members and officers and between members across political parties. This is a positive step; however it



will take time for the council to implement these new working practices. It is too soon to evaluate the impact of these new ways of working, however, the council has committed to review this from July 2013.

16. Newly elected committee chairs will require ongoing training and development to fulfil these important roles. Elected members interviewed as part of the audit were positive about the training and briefing sessions available and all members have individual training records listing the training events they have attended. However, less than half of elected members have had a personal development meeting to identify training and development needs since the May 2012 elections. Elected members should continue to focus on their personal development and engage in training opportunities.

## Officer leadership

17. There have been significant changes to the council's senior management team over the past two years. Our audit work focussed on the effectiveness and impact of these new arrangements in helping to lead the council and deliver its objectives.
18. During 2010/11, the council reviewed its management structure, reducing the number of directors from five to four, with effect from April 2011. In October 2012, the chief executive was appointed on a permanent basis after acting in a temporary capacity for 15 months. The current CMT comprises the chief executive and three corporate directors.
19. Officer leadership is developing well as a result of management changes since the October 2010 progress report. A more open and inclusive management style is emerging and there are signs of improved corporate leadership, led by the chief executive. Since June 2012, the CMT has been meeting regularly and is working more effectively as a management team, to deal with issues corporately. The directors work in an open plan office called 'The CMT Hub' which promotes better joined-up working and information sharing. The CMT has produced a work programme to give structure and focus to their meetings. Directors are working together to address council wide issues such as the need for budget reductions and workforce planning.
20. Our audit work found that administration elected members and senior officers are positive about the new ways of working within the CMT. The council's section 95 officer and monitoring officer are not formally members of the CMT. This means there is a risk that statutory roles are less visible and that financial governance is affected. Both officers are actively involved in the CMT and able to influence agenda setting and decision-making.
21. The CMT is developing the leadership skills of its wider Senior Management Team (SMT) which includes officers at head of service level. This includes participation in the Improvement Service's Public Sector Leadership Programme, which is targeted at managers at fourth tier level and above. The council is also working with its community planning partners to enable public sector managers from across the Moray area to attend the programme together. The partnership has delivered two rounds of the programme, with 13 council officers participating, which is 20 per cent of staff at fourth tier and above. The council has identified this programme is not suitable for all eligible staff, such as senior officers who are not budget holders, but also

due to requirements on attendance, study and submission of course work. The council should ensure it has a suitable range of training options to continue to develop its senior officer leadership skills.

22. The council is also making greater efforts to engage with employees at all levels across the organisation. It has developed a senior officer handbook, which clarifies the role and remit of the CMT and the wider SMT. In January 2012, the council implemented an employee engagement programme to improve its communications with staff, including an employee charter, a corporate newsletter, learning visits by senior officers and elected members to services and the existing staff conference. All of these activities demonstrate a more open and visible leadership style. The council has not conducted an employee survey since these changes were made, however a survey was reported to council in September 2011. This showed that 65 per cent of staff felt they had access to the information they needed to do their job, but only 15 per cent believed that the council acted on staff feedback. Through the employee engagement programme, the council is starting to capture and act upon staff views, for example, through learning visits, listening meetings and team talk feedback.

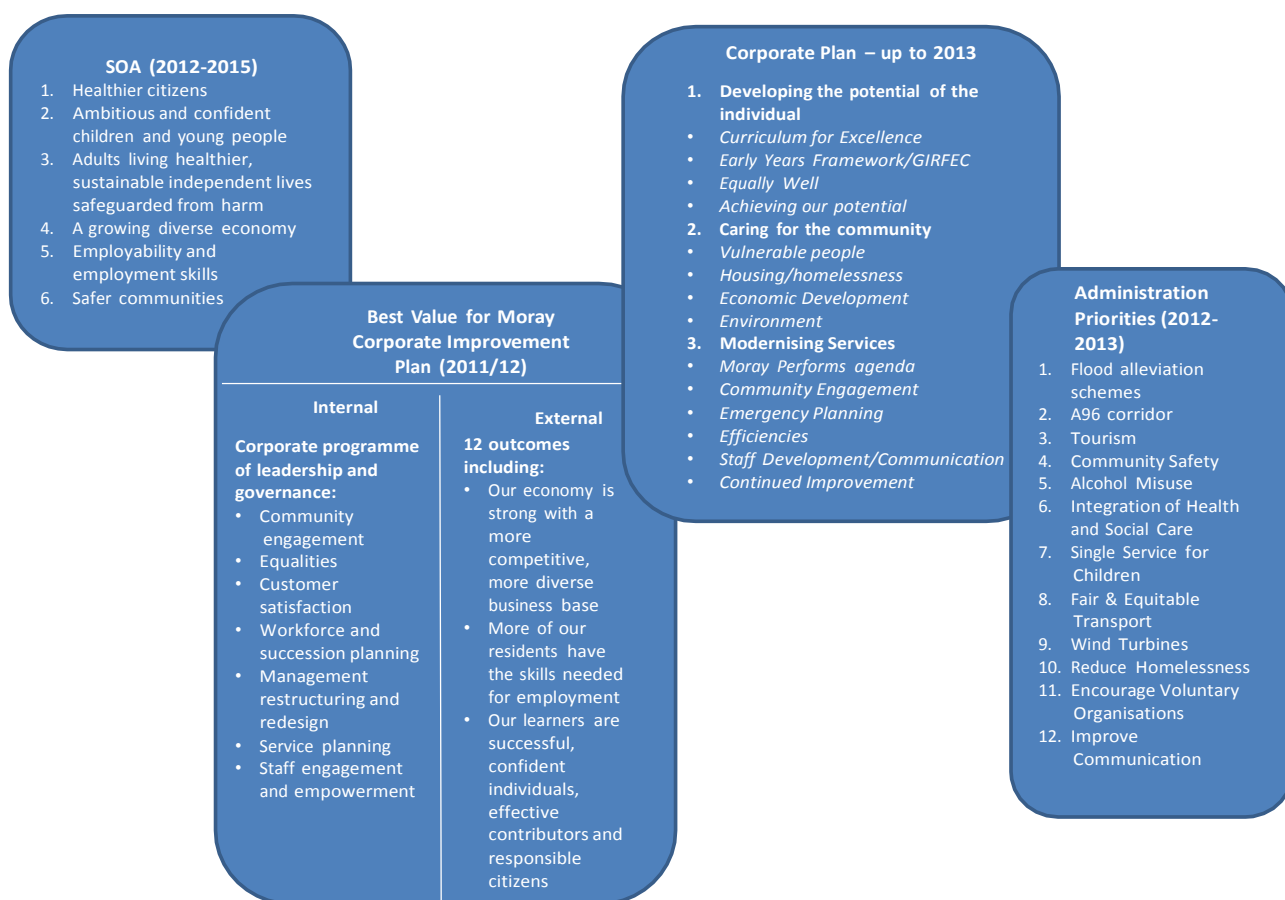
### Strategic planning

23. The council needs to consolidate its strategic planning priorities to create a clear framework to support leadership and strategic direction. The council's strategic plans currently contain a significant number of similar and inter-related priorities and community planning outcomes ([Exhibit 1, page 11](#)). The council is aware that these need to be brought together into a simplified set of priorities against which progress can be readily assessed and demonstrated.
24. The council agreed a corporate improvement plan, *Best Value for Moray*, in November 2011. This plan exists alongside a set of administration priorities agreed in September 2012 and a corporate plan up to the period 2013. At the time of our audit work in November 2012, the council was also developing an updated SOA for the period 2013-2016. The Community Planning Board (the board) did not approve a final version of the SOA to cover the period 2012-13, although there were draft versions being taken to the board from March to September 2012, the date the last minutes for the board are publically available.
25. The Scottish Government published guidance in December 2012 on the scope and content of new SOAs and confirmed the timetable for their submission. The guidance clarifies the purpose of the SOA:
- Set out clear and agreed priorities, rooted in the Community Planning Partnership's (CPP) understanding of place, for improving local outcomes.
  - Be clear about long-term outcomes to be achieved over the next decade, and the contributory outcomes, indicators and targets by which progress towards these will be demonstrated over the short (one year) and medium (three years) terms.
  - Show how the total resource available to the CPP and partners has been considered and deployed in support of the agreed outcomes, especially in ways which promote prevention, early intervention and the reduction of inequalities.

26. The deadline for submission of SOAs to the Scottish Government was 1 April 2013 and a draft SOA for Moray for 2013-16 was submitted by that date.
27. It is not clear how the council's key strategic plans currently fit together and cascade down through services. The council is aware of the need to address this. The CMT has acknowledged it needs to work on aligning its strategic plans. The chief executive is committed to taking this forward but needs support from staff to progress this at a quicker pace. The council needs to address this as a priority to build a clear framework to support leadership and strategic direction. This will provide greater clarity to staff to focus their work and to communities on the priorities for Moray. This is essential to support further improvements in the council's strategic direction and to support budget decisions that need to be made in future.

### Exhibit 1

The council's strategic plans currently contain a significant number of similar and inter-related priorities.



Source: Audit Scotland

28. Overall, the council acknowledges that improvements in political and officer leadership are recent and it is aware it needs to continue momentum to build on this. The council demonstrates an increasing level of self-awareness. It fully understands it needs to continue to build on the progress made in the areas outlined in this report. This level of self-awareness is encouraging.

## Challenge and improvement

**Elected members and officers are challenging performance more effectively. The council is making progress with its improvement programmes, however it does not have an overarching approach to prioritise and focus improvement work. The council needs to improve the governance and reporting of its improvement activities.**

29. The council has been taking forward improvement activity through three strands:
- An improvement programme called Designing Better Services (DBS) has been in place since 2008 to modernise the way the council operates.
  - The council has been using the Public Sector Improvement Framework (PSIF) as its self-evaluation tool since 2009 to support service improvements.
  - The corporate improvement plan *Best Value for Moray* agreed in November 2011.
30. In the 2012-15 AIP, the Local Area Network (LAN) identified that the council had been active in its use of PSIF and that it is one of the few councils to have completed PSIF assessments of all of its services. However, it also identified there was less evidence available in respect of 'challenge'. Our audit work concentrated on:
- the level of challenge and scrutiny demonstrated by elected members and senior officers
  - how well senior officers lead improvement activity
  - how involved members are in prioritising improvement activity
  - to what extent PSIF and other improvement activities have contributed to demonstrable change.
31. It is not clear how the three improvement strands come together into a coherent programme. This is due to both disparate reporting arrangements for the individual strands and a lack of clarity on how the council prioritises improvement activity. The *Best Value for Moray* plan has been a useful exercise for the council to take stock. The plan sets out 12 outcome areas but does not set out how services will work towards achieving these. In addition, the outcome areas are expressed differently to those in the SOA. *Best Value for Moray* also sets out inward facing improvement priorities, such as customer satisfaction and workforce and succession planning but without giving a clear direction on how it will take these forward. This means it does not clearly set the strategic direction for the council, although it is the primary corporate document currently in place.
32. The council's current review of performance management arrangements is an opportunity to ensure there is a more integrated approach to identifying and prioritising improvement activity. This review has identified that performance reports could be improved by including customer

satisfaction and cost measures and more measures on outcomes rather than inputs. At the time of our audit, it was unclear how the council uses its performance management information to inform the priorities for improvement activity. Performance improvements are incorporated into some, but not all service plans. The council has set a time-frame for improvement actions to be contained within all service plans, in accordance with the council's service plan template, by the 2013/14 planning cycle.

33. The council's arrangements for reporting on the progress and impact of improvement activity are not integrated. Updates on the DBS programme are considered by the Policy and Resources (P&R) Committee. Updates on PSIF are taken by the Moray Performs Board, which meets infrequently and in private, meaning there is a lack of transparency on how the council considers some of its improvement activity. In addition, the council has not reviewed performance against the *Best Value for Moray* plan since it was agreed in November 2011. The council needs to develop clear and transparent reporting arrangements to ensure senior officers and elected members maintain an oversight of all strands of improvement activities.
34. The council is making progress with its DBS programme. The aim of the programme is to improve how the council operates but also to deliver recurring savings across a range of services, to a cumulative value of £4.4 million by 2014. This programme includes a core project across services aimed at improving customer service, developing online services, extending flexible working and reducing the time taken to complete administrative tasks. There are two other ongoing projects, a property project to create more flexible ways of working and rationalise office accommodation and a community care redesign project.
35. The council reports that it has completed the procurement, transport and plant/machinery projects. Improvements include increased car pooling, savings through procurement and the rationalisation of council property in Elgin, including the relocation to the new HQ annexe. The council's progress report from October 2012 states that if it is able to maintain momentum and control costs, it is on track to deliver the recurring savings, but now by 2015 rather than 2014. However, progress against the Scottish Government's annual efficiency targets has not been as good. The council's annual efficiency statement for 2011/12 showed it had made £4.48 million of recurring savings which, at 2.3 per cent of net revenue budget for general services, falls short of the three per cent savings target.
36. The council has been proactive in its use of the self-assessment framework PSIF. The council has delivered PSIF assessments across all services and agreed to move to a second phase in March 2011, which will run over three years. This means assessments will now be carried out across a complete directorate, to allow managers a better overall view across services. There have been some delays to the progress of PSIF in 2012/13 due to staff time being spent on the DBS programme, but the council reports it is on track to complete all services within the three-year cycle.
37. The council's reporting against PSIF activity could be better. It does not give an overview of what improvements have been made in services and the impact this has had to the service user. Rather, reports focus on the roll-out of the PSIF programme and actions from individual self-assessments that remain outstanding. In September 2012 the CMT agreed to conduct a

corporate PSIF assessment and this is a welcome development. Work is still required to embed this improvement activity consistently. Some services have incorporated improvement actions from the first round of PSIF activity into their service plans, but this is not always the case.

38. Elected members and officers are now demonstrating more effective challenge and scrutiny. During the course of our audit work we saw good quality debate, well informed challenge and requests for additional information. Elected members are demonstrating an increased willingness to hold each other to account, a positive change in the culture at the council. Elected member and officer relationships are maturing and we saw more evidence of officers being held to account on their performance. These positive relationships need to continue to develop.
39. There is more evidence of senior officers leading the improvement agenda. However, the council needs to implement a clearer approach to identifying and prioritising corporate and service-level improvement. The CMT is providing elected members with regular briefing sessions to help support improved scrutiny and decision making. Officers below head of service level are being encouraged to be more accountable for their reports at committee meetings, to present the report and to respond to elected member questions. The current CMT has only been in place since October 2012, so at the time of our audit work, was yet to fully establish its approach to identifying and prioritising improvement activity.
40. Elected members currently have a minimal role in terms of prioritising improvement activity and the council needs to address this. The council has recognised that past projects have progressed slowly or have not been delivered in their entirety due to the council's high number of often competing priorities. The council has not always had a clear focus on what should happen first and where the biggest impact can be achieved. The council should therefore review its priorities for improvement and identify the people and the time they need to progress this work.

## Customer focus

**The council has made some progress on customer focus, including good examples of gathering customer feedback and the establishment of a working group. However, progress is hindered by the lack of a coordinated approach and minimal reporting on customer and service users' views.**

41. The 2012-15 AIP concluded there was limited evidence to demonstrate how customer feedback was contributing to demonstrable service improvements. Our audit work focused on whether the council had made progress in developing a strategic approach to customer focus. By this we mean how the council ensures its customers receive a consistent experience and how feedback is used to influence service redesign and improvement activity.
42. The council does not have an overarching customer strategy, that puts the customer/service user at the centre of its activities. The council's *Best Value for Moray Improvement Plan* has highlighted customer satisfaction as an area for improvement but is not supported by an

action plan to take this forward. An overarching strategy to coordinate customer service improvements and set out service standards would support this objective.

43. The council is taking steps to develop a more corporate approach to customer focus across the council. One of the wider objectives of the council's DBS project is to improve the customer experience. This includes the development of the customer contact centre. So far housing, property and direct services have moved their customer contact into the centre. The council reports it is on track to complete its service transfers by their deadline of October 2014.
44. The council does not have a consistent approach to using customer information and feedback. Although there are ad hoc examples of feedback being used, this is not evident across all services.
45. The public consultation events on the council's budget, held during autumn 2012, demonstrate a more strategic approach to seeking customer feedback. The council also introduced an online tool called *The Moray Budget Challenge*, enabling the public to use real budget information to make recommendations on future budget decisions. The council gathered feedback from its communities, through this consultation activity, to help inform the council's future priorities within the context of large scale budget reductions. The council has used that feedback to influence the budget priorities for 2013/14, to inform where it will continue to fund services and where it needs to make cuts.
46. The council has recognised that it needs to develop a better approach to engaging with customers and has set up a Customer Satisfaction Working Group to address this. The group has mapped out the different ways that services collect customer feedback. This now needs to be turned into an action plan which focuses on implementing a more comprehensive approach to customer satisfaction across the council. The council also needs to ensure that this group is represented by all services so that good practice is shared and adopted widely across the council.
47. Elected members would benefit from a more comprehensive overview of customer feedback to help them prioritise improvement activity. There are some examples of service specific customer feedback going to the relevant service committee, however this is not consistent. The P&R Committee reviewed the contact centre's performance measures in September 2012 and agreed to add in measures on the proportion of calls answered overall and those answered within the target of 20 seconds. The council has recognised that it could do more to improve how it reports on customer feedback. This needs to be taken forward in the context of the current review of performance management.

## Equalities

**The council has improved elected member leadership and engagement in equalities, however member take-up of equalities training is poor. The council needs to continue to improve leadership of equalities and report against equality outcomes.**

48. In the 2012-15 AIP update, the LAN identified equalities as an area requiring further audit work due to the limited progress in this area. The Best Value follow-up report in 2010 highlighted concerns about elected member leadership of equalities. Further monitoring through the annual audit and SRA process for 2011/12 showed only limited evidence of action being taken to address the issue. Although the council said it would consider the appointment of an elected member champion for equalities in February 2011, this had not been implemented by the time the 2012/15 AIP was published in May 2012. Our audit work therefore focused on political leadership and commitment to equalities.
49. The Equalities Act of 2011 consolidated previous legislation and introduced specific duties for public sector organisations in Scotland. These include assessing and reviewing policies and practices, reporting on mainstreaming the equality duty, publishing equality outcomes and reporting progress against those. As a result of the changes in legislation, the council, in common with other councils in Scotland, needs to ensure a proactive approach to equalities.
50. The council has made progress with equalities since July 2012. The convener of the council became the equalities champion at that time. In addition to the champion role, the chair of the Communities Committee is also responsible for developing the council's approach to equalities. This joint approach has resulted in a clearer commitment to understanding and addressing equalities issues. The appointment of the champion role has raised awareness of equalities issues and prompted debate and discussion amongst members. The convener and chair of the Communities Committee both attend the Equality and Diversity Corporate Advisory Forum, the council's key equalities forum.
51. The council has taken decisions to advance its approach to equalities. These include working with the Equality and Human Rights Commission to establish good practice guidance for equality impact assessments and with Stonewall Scotland to improve engagement with lesbian, gay, bisexual and transgender people in Moray. These are encouraging developments.
52. The council has offered training to elected members on equalities, but the take-up is poor. In September 2012, the council delivered an awareness session for members on the responsibilities arising from the Equality Act, but only 31 per cent of members attended. The convener of the council has been proactive in encouraging elected members to complete the council's online equality training package but only 54 per cent of members have completed this training.
53. The Communities Committee is responsible for monitoring the council's arrangements for 'promoting, fostering and maintaining equal opportunities within the council'. However, both the Audit and Performance Review Committee and P&R Committee have considered reports on equalities. Although involvement across committees will help raise awareness,



the council needs to ensure it is clear where decision-making and monitoring on equalities takes place, to ensure a coordinated and strategic approach to progressing equalities.

54. The council needs to improve its reporting arrangements on equalities. The Communities Committee approved the council's Single Equality Scheme in October 2010. There has been no reporting on performance against equality actions since the scheme was approved. This means that the council cannot be certain that it is making progress on its equalities responsibilities.

## Risk management

**The council has sound arrangements for risk management and reporting in place.**

55. The 2012-15 AIP identified that although some progress had been made in developing risk management and business continuity arrangements, risk registers had not been timeously reviewed. The council was moving towards mainstreaming the responsibility for risk management, but the impact of this was not yet evident. The annual audit process included work on the arrangements in place to support risk management within the council.
56. The council has made progress in this area and it has implemented appropriate arrangements for risk management and reporting. The P&R Committee has responsibility for dealing with all matters relating to risk assessment and risk management and it approved a corporate risk register in October 2012.
57. Departments have risk registers and the management and maintenance of these is the responsibility of individual managers. The corporate and senior management teams have arranged for risk registers to be updated as part of annual service planning activity. However, there were inconsistencies in how service plans for 2011/12 were taking forward identified risks. Internal audit was to take on the responsibility of gathering risk registers, to be held centrally. For specific key projects, which include flood alleviation schemes and PPP school projects, there is a separate risk assessment and risk management process.

## Measuring and reporting against SOA outcomes

**The council and the Community Planning Partnership need to ensure their performance management arrangements allow them to know how they are doing against all of the partnership's local outcomes.**

58. The 2012-15 AIP did not identify significant concerns related to the council's performance against the majority of national outcome measures. However, the LAN did not have the necessary information to evaluate progress against all of the national outcomes. Our targeted work considered the council's performance management arrangements for community planning outcomes.
59. The partnership no longer considers regular performance reports. Up until July 2011, the partnership reviewed performance through quarterly performance reports considered by the

Community Planning Board (the board). Since then there have been no quarterly monitoring reports, apart from a one-off report in March 2012.

60. The board considered the annual public performance report for community planning in November 2012. This report contains good narrative on the progress of individual projects but without outcome measures to demonstrate the impact of actions over time. In addition the report has less evaluation on some outcome areas, such as 'healthier' outcomes and 'safer and stronger' outcomes.
61. The partnership needs to ensure that the SOA has clear measures for all key outcomes to support performance assessment and progress reporting. At the time of our audit work, the draft SOA was incomplete. It had set out some milestones, such as the development of an alcohol and drug strategy but there was a lack of performance measures to track progress over time. The Scottish Government guidance of December 2012 clarifies the purpose of the SOA and describes the importance of both long-term and short-term outcome measures. The partnership's previous SOA also had gaps in outcome measures and this needs to be addressed as a matter of priority.
62. Since March 2010, the board has been reviewing its approach to community planning. A report at that time indicated that the structure could be confusing, could cause delays in gaining approval for projects and there was potential duplication in staff time and with reporting. In September 2011, the Scottish Government's location director began working with the Community Planning Partnership on the review of strategic outcome themes and governance arrangements. Review work has been considering the partnership's local outcomes, an updated SOA and the overarching governance arrangements.
63. From September 2011, the existing groups for each of the outcome themes; Safer and Stronger, Healthier, Wealthier and Fairer, Greener and Smarter, which were responsible for delivering and monitoring actions on SOA outcomes, ceased meeting. The council has stated this was part of a planned approach to allow partners and elected members to come together to redefine local priorities and redesign the structures and governance arrangements to take these forward.
64. The review of Moray CPP has been a lengthy process, culminating in a draft SOA for 2012-15, presented to the board in November 2012. The partnership has agreed the following six local outcomes:
  - Healthier citizens.
  - Ambitious and confident children and young people.
  - Adults living healthier, sustainable independent lives safeguarded from harm.
  - A growing diverse economy.
  - Employability and employment skills.
  - Safer communities.
65. The board agreed revised governance arrangements in September 2012. The partnership agreed new theme groups to operate under the board. These groups are at various stages of

development with the intention that all are fully operational from April 2013. The partnership needs to ensure that these groups are able to measure and report performance against all the new local outcome priorities as well as the Scottish Government's national outcomes. Historically, Moray's SOA has not identified measures for some local outcomes which inhibits the partnership's ability to evaluate and hence demonstrate progress.

66. Our targeted audit work did not include an evaluation of the effectiveness of community planning, but was focused on the measurement and reporting of SOA outcomes in line with issues identified in the 2012-15 AIP (which was based on evidence available up to November 2011). However, during the course of our work on community planning performance management we identified that the theme group meetings and quarterly performance monitoring had ceased as a result of the partnership's review. This gives us some concern about the delivery of outcomes and improvements for communities during that review period. However, we cannot assess the impact of this, or the effectiveness of the proposed new community planning arrangements until they have been implemented and are operational. Therefore we are considering further audit work on community planning in Moray.

# Improvement agenda

67. This improvement agenda details the areas for improvement that we have identified during our targeted audit work.
68. The council and its partners need to:
- Ensure the review of community planning is implemented.
  - Improve reporting against outcomes so the partnership can better demonstrate its impact in delivering all its local outcomes.
69. The council needs to:
- Continue to build on the improvements on leadership and culture by:
    - Acting decisively in making the difficult decisions required to deliver £30 million of savings by 2016/17.
    - Continuing to embed the collaborative and positive culture demonstrated at CMT more widely across the council.
    - Maintaining progress of leadership development and member development programmes, specifically by:
      - Providing leadership development opportunities for all senior managers.
      - Ensuring all elected members undertake personal development meetings.
      - Improving member take up of development and training opportunities.
  - Clarify its strategic planning arrangements to build a clear framework to support leadership and strategic direction by:
    - Aligning the council's strategic plans.
    - Developing an overarching improvement programme to help prioritise and focus improvement activity and improve reporting and governance arrangements.
  - Develop a customer focus strategy and action plan and improve reporting on customer feedback.
  - Maintain the momentum on improved leadership of equalities and improve member take-up of equalities training and reporting against equalities outcomes.
  - Improve how it measures and reports on performance, including:
    - customer feedback and satisfaction
    - continuous improvement programmes
    - equality outcomes.
70. 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. It is for the council to decide how best it can take forward these recommendations. The council should bring to our attention any improvement plans that it puts in place to address these areas.

71. The council's progress against these areas will be monitored as part of the annual audit process and reported in the Annual Report to Members. The Controller of Audit will then decide whether to report to the Accounts Commission under Section 102(1) of the Local Government (Scotland) Act 1973.
72. Further audit work on community planning will be discussed with scrutiny partners and the timing planned through the shared risk assessment process.