

Best Value Assurance Report

East Ayrshire Council



ACCOUNTS COMMISSION 

Prepared by Audit Scotland
May 2018


The Accounts Commission

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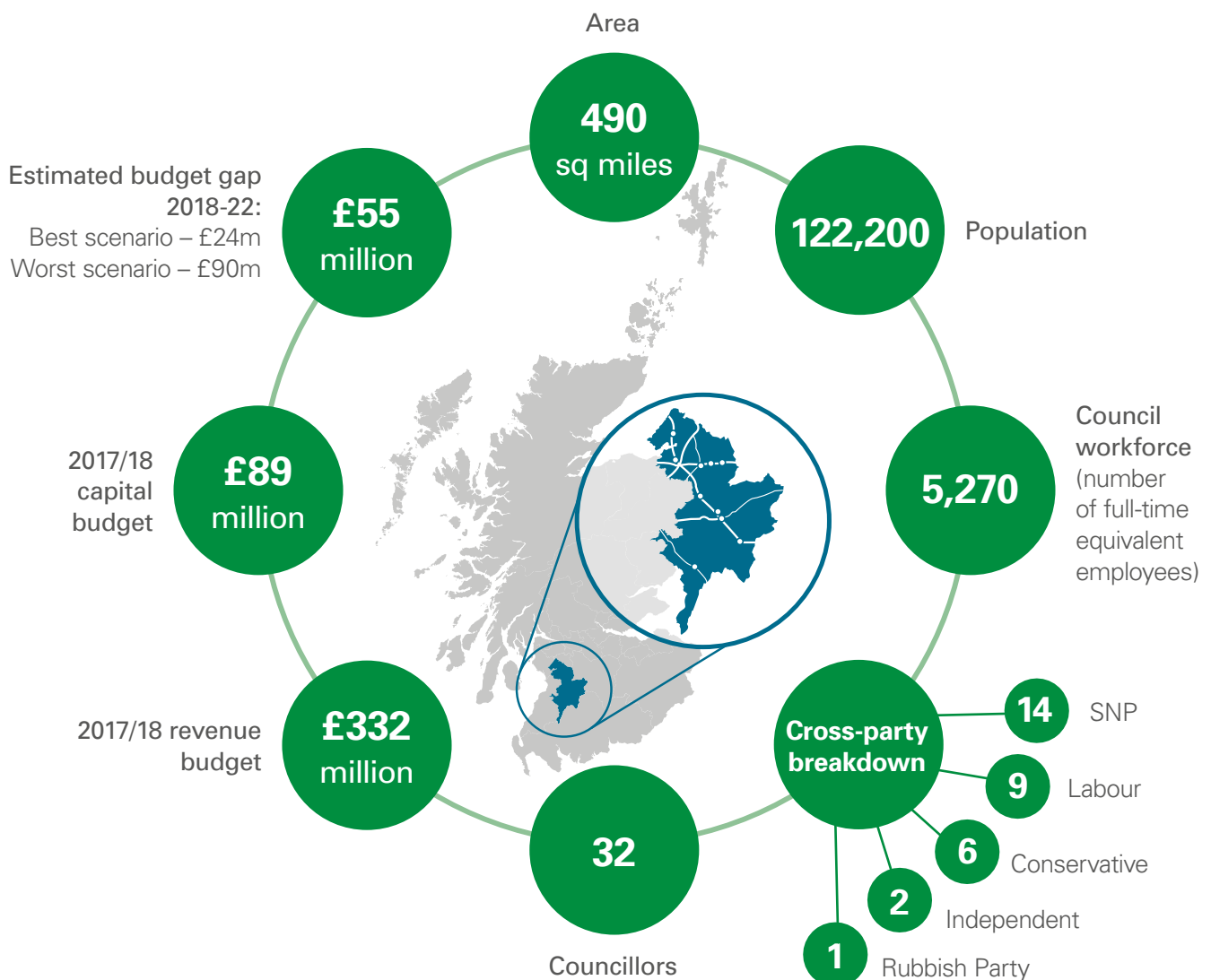


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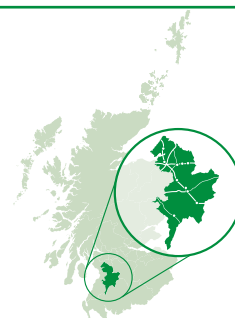


Web link

Key facts




Commission findings



- 1** The Commission accepts the Controller of Audit's report on Best Value in East Ayrshire Council. We endorse the recommendations set out by the Controller of Audit in his report and expect the council to act upon them.
- 2** We are pleased that East Ayrshire Council has maintained the strong performance that we reported in previous Best Value reports in 2006 and 2010. Such performance has been achieved against substantial socio-economic challenges in East Ayrshire. It is based upon a record of effective community planning and partnership working, underlined by a genuine commitment by partners to work with and empower local communities.
- 3** The council faces a substantial budget gap which will test this record. We note that the council's new Transformation Strategy is still in its early stages with more development to be done. The council will need to ensure that the strategy is supported by robust planning and resourcing. A corporate workforce plan also needs to be integral to the strategy.
- 4** The council and its partners are committed to supporting and developing a sustainable local economy. Effective engagement with the local business community, with a view to enabling more employment opportunities, is an important aspect of this priority.
- 5** We are pleased to note that the performance of services is improving. There is evidence of good practice in the council and its partners in managing demand for services through preventative approaches to service delivery, notably in homecare. There is potential to apply this approach in other services.
- 6** We encourage councillors and officers to continue to work well together in delivering the significant changes which will be needed in how the council delivers its services. The council's good record of self-assessment will also be helpful in moving forward.
- 7** We will maintain our interest in the progress of the council. In line with our new approach to auditing Best Value, the Controller of Audit will monitor progress through the annual audit and update the Commission accordingly.

Audit approach



1. The statutory duty of Best Value was introduced in the Local Government in Scotland Act 2003. The audit of Best Value is a continuous process that forms part of the annual audit of every council. Findings are reported each year through the [Annual Audit Report](#) . The Controller of Audit will also present a Best Value Assurance Report to the Accounts Commission at least once during the five-year audit appointment for each council. This is the first assurance report on East Ayrshire Council. The findings from previous Best Value reports on the council are summarised in the [Appendix](#).

2. This report seeks to provide the Accounts Commission with assurance on the council's statutory duty to deliver Best Value, with a particular focus on the Commission's Strategic Audit Priorities covering:

- the clarity of council priorities and quality of long-term planning to achieve these
- how effectively councils are evaluating and implementing options
- how effectively councils are ensuring that members and officers have the right knowledge, skills and time to lead and manage delivery of council priorities
- how effectively councils are involving citizens in decisions about services
- the quality of council performance reporting to help citizens gauge improvement.

3. We are looking for councils to demonstrate Best Value by showing continuous improvement in how they deliver their priorities. The pace, depth and continuity of this improvement is key to how well councils meet their priorities in the future. In this report, we show how we assessed East Ayrshire Council's improvement over time and our conclusions are reflected in the [Key messages \(page 8\)](#).

4. Our audit approach is proportionate and risk-based, that is, it reflects the context, risks and performance of the individual council. It also draws on information from previous years' audit and scrutiny work. In keeping with this approach we conducted some initial work to identify risks and council initiatives to build into our audit's scope. We examined previous audit and inspection reports and intelligence, reviewed key council documents, met with senior officers and drew from our wider public-sector knowledge and experience. [Exhibit 1 \(page 7\)](#) shows the key areas of focus for our audit:

Exhibit 1

Key areas of focus for our audit



The council's vision and priorities, as developed with community planning partners



Managing performance, self-evaluation and measuring outcomes



Financial sustainability, including the difficult decisions the council faces on the funding gap and related policy choices



Community engagement, including the council's 'Vibrant Communities' approach, community-led action plans and asset transfers to the community



Partnership working, including interacting with the Integration Joint Board, a body that plans and coordinates local health and social care services



Financial governance and resource management



Transformation and improvement activity including the arrangements established to effectively deliver the new transformation strategy

Source: Audit Scotland

5. We did the detailed audit work for this report in December 2017 and January 2018. Our audit work included:

- interviewing elected members and senior officers
- holding focus groups with members of staff
- observing a range of council and committee meetings
- reviewing documents.

6. We will continue to audit Best Value at the council over the course of our audit appointment. This will include following up on the findings from this report and more detailed audit work on other Best Value characteristics as appropriate.

7. We gratefully acknowledge the cooperation and assistance provided to the audit team by all councillors and officers during the audit.

Key messages



- 1** The council and its partners have delivered strategic planning jointly for 15 years. Their community plan sets out a clear, shared vision for East Ayrshire through to 2030. Councillors support this vision. The Community Planning Partnership (CPP) understands the challenges facing East Ayrshire and is focusing on three strategic themes: economy and skills, safer communities and wellbeing. The council has strong executive leadership. Officers and councillors from all parties work well together for the people of East Ayrshire. There is evidence of effective challenge from councillors.
- 2** The council and its partners report improvement in more than two-thirds of the indicators they use to monitor performance against their priorities. Compared to other councils, the council's overall performance has improved in recent years, and the 2017 residents' survey reported high levels of satisfaction with most council services. The council and its partners can show where their actions have improved performance. The council is addressing the challenges that remain in some areas, including employment and planning.
- 3** The council has effective financial planning and management arrangements in place. It prepares medium- and long-term financial plans. The council anticipates a funding gap of between £24 million and £90 million over the next five years. It has identified key areas for change when developing its latest Transformation Strategy. The council recognises that it has a lot to do to implement the strategy in the planned timescale.
- 4** The council empowers its communities through its Vibrant Communities approach. It helps communities develop the skills and confidence to deal with local needs and priorities. The council also includes local people in planning services and spending public money. This has led to community groups having a positive attitude and a sense of control in shaping their own area.
- 5** Community planning partners have a long track record of working well together. There are good examples of partnership working in care, the economy and roads. The council and the NHS have a well-established partnership, strengthened by the Integration Joint Board (IJB). As is the case across Scotland, the council, the IJB and the NHS are working to resolve funding issues around shifting the balance of care between hospitals and communities.

- 6 The council undertakes self-assessment at strategic, service and partnership levels. This provides assurance on both systems and approaches and the quality of service delivered. This has helped the council to identify and address areas for improvement over a number of years. The council uses the results of external scrutiny to target improvement. It looks beyond both its own boundaries and Scotland to identify learning and innovative practice.
 - 7 The council has a long-established culture of self-assessment and improvement and has maintained the strong levels of performance reported in our previous Best Value reports. Effective implementation of its new Transformation Strategy, and resolution of issues relating to health and social care, will be key to the council sustaining its performance levels.
-

Part 1

Does the council have clear strategic direction?



The council has strong leadership and, with its partners, has a clear vision of what it wants to achieve for the people of East Ayrshire; councillors and staff support this vision

The council and its partners have delivered strategic planning jointly for 15 years. Their community plan sets out a clear, shared vision for East Ayrshire through to 2030.

The council and its partners have developed their vision from a good understanding of the challenges facing East Ayrshire. They are focusing on the three strategic themes that local people feel are the most important: economy and skills, safer communities and wellbeing.

The council has clear plans to achieve these priorities, and regularly reports on its progress to councillors and to local people.

The Executive Management Team and councillors from all parties work well together for the people of East Ayrshire.

The local context

8. East Ayrshire is in south-west Scotland and has a population of around 122,000. It covers an area of 490 square miles that contains both urban and rural communities. Kilmarnock is the largest urban area with a population of around 47,000. The rest of the population live in smaller communities, ranging from fewer than 100 people in some villages and rural areas to around 9,000 in Cumnock, the second largest town.

9. East Ayrshire's business base includes around 3,200 companies from sectors including engineering, manufacturing, tourism and leisure, food and drink, textiles, social care and renewable energy.

10. Some parts of East Ayrshire are prosperous but significant inequalities exist between communities. Fifty-three of the 163 data zones (population units) across East Ayrshire are among the 20 per cent most deprived data zones in Scotland.¹ Nationally, East Ayrshire has the sixth highest concentration of deprivation of the 32 Scottish councils. In February 2018, unemployment in East Ayrshire was 3.4 per cent, higher than the Scottish average of 2.4 per cent. The rate of youth

unemployment is the fourth highest in Scotland at 4.5 per cent, compared to the Scottish average of 2.7 per cent.²

11. The number of people living in East Ayrshire is forecast to fall by 3.9 per cent between 2014 and 2039, while the population of Scotland is projected to increase by 6.6 per cent. In East Ayrshire:

- the number of people aged 75 and over is projected to increase by 77 per cent – affecting health and social care services for older people
- the number of people of working age is projected to fall by 17.2 per cent – a lack of local workforce could potentially make the area less attractive to some businesses
- the number of children and young people aged 0-15 years is forecast to fall by 9.1 per cent – affecting services such as school education.

12. The council has been nationally recognised for its work. East Ayrshire Council was named UK Council of the Year at the Improvement and Efficiency Social Enterprise Awards in 2017. This award recognised the council's work in transforming the delivery of its services. At the same awards in 2018, the council won a gold award for creating community capacity for its respectful funerals service and a silver award for transformation in waste management. East Ayrshire Health and Social Care Partnership won a silver award for transformation in health and social care.

The council and its partners have a clear shared vision

13. The East Ayrshire Community Plan 2015-2030 is seen by the council and its partners as the 'sovereign' planning document for East Ayrshire. The council is a strong supporter of partnership working and has not produced a separate strategic plan since 2003. The Community Planning Partnership's (CPP) vision is for East Ayrshire to be 'a place with strong, safe and vibrant communities, where everyone has a good quality of life and access to opportunities, choices and high-quality services which are sustainable, accessible and meet people's needs'. The CPP includes Police Scotland, Scottish Fire and Rescue Service, Strathclyde Partnership for Transport, NHS Ayrshire and Arran, Ayrshire Chamber of Commerce, Ayrshire College, Voluntary Action East Ayrshire, Scottish Enterprise and Community Federations. The first three-year review of the community plan was completed in 2017/18.

14. The CPP has agreed three strategic themes to help make this vision happen:

- Economy and skills
- Safer communities
- Wellbeing.

15. Each theme has a delivery plan. This sets out specific aims and includes actions, measures of success and appropriate indicators for assessing progress against the priority.

The CPP developed its priorities and plans from a good understanding of local data and challenges

16. The delivery plans for each of the three strategic themes reflect local circumstances and have been developed using local data. The council also consulted with its residents to find out what they felt was important to them and their community.

17. The community plan sets out clearly the challenges East Ayrshire faces. For example, the plan highlights that youth unemployment in January 2015 was unacceptably high, running at 5.5 per cent, compared with a national average of 3.1 per cent. It also highlights how youth unemployment significantly varies within East Ayrshire. Plans that individual communities have developed – community-led action plans – also link to the strategic themes, where appropriate.

18. Plans and strategies reflect national priorities, such as public sector reform, welfare reform and community empowerment. The delivery plans for the strategic priorities also link clearly to the national outcomes in Scotland's National Performance Framework. The community plan, delivery plans and the council's latest Transformation Strategy consistently recognise the importance of tackling inequalities and early intervention and prevention, that is, taking action as soon as possible to tackle problems for children, families and vulnerable people.

19. The CPP also identified three strategic priorities for the first three years of the community plan. For 2015-2017 these were:

- youth unemployment
- alcohol and drugs
- child poverty.

The council has set out its plans to address future opportunities and challenges in its latest Transformation Strategy

20. The council is developing the detail of its latest Transformation Strategy. The council's Cabinet agreed the Transformation Strategy 2017-2022 in October 2017 and, in February 2018, decided it will run concurrently with the community plan, until 2030. Responsibility for most of the council's strategic decisions is delegated to the Cabinet with representation from all political groups.

21. The Transformation Strategy sets out the opportunities and challenges that lie ahead for the council and describes, at a high level, the activities and developments on which the council needs to focus over the next five years. In terms of challenges, the strategy highlights a likely gap between the funding the council needs to maintain services in the same way and at the same level as at present, and the expected funding available. It notes that the council will be smaller, but with a commitment to maintain high-quality services. [Part 3](#) of our report gives more details of this strategy.

22. The council has regularly carried out strategic self-assessments since 2005. It has asked external peers, people with an extensive knowledge of the public sector, to provide independent review and challenge. Further details are in [Part 5](#). In the latest assessment, in 2016, peers identified scope for improved alignment

of priorities between the community plan and the then Transformation Strategy (2012-2017). The council has taken steps to address this as part of the three-year review of the community plan.

The council's senior team provides effective leadership

23. The council's Executive Management Team (EMT) has six members, including the Director of the Health and Social Care Partnership. During the audit, EMT members were consistent in the way they interpreted and explained the council's vision and the council's and its partners' strategic priorities.

24. Both councillors and staff we spoke to during the audit were positive about the EMT. Councillors acknowledged the challenging circumstances facing the council and believed the EMT was providing the necessary executive leadership to continue to deliver appropriate, sustainable services. Staff were similarly clear on the council's challenges, and supported senior management's approach. Staff were both engaged and enthusiastic about this approach.

25. The Leader of the Council meets regularly with the Chief Executive and senior management team. Councillors are confident they can contribute and influence priorities. Formal structures are in place for learning and support for councillors from officers. The EMT and councillors from all parties work well together for the people of East Ayrshire.

Part 2

How well is the council performing?



East Ayrshire Council's overall performance is improving. Residents are satisfied with the services the council provides

The council and its partners report improved performance in more than two-thirds of their performance indicators. Compared to other councils, the council's overall performance has improved in recent years. The 2017 residents' survey reported high levels of satisfaction with most services the council provides.

The council is addressing the challenges that remain in some areas, including employment and planning.

The council and its partners can demonstrate they have acted effectively and that this has led to improved performance in a number of areas.

The council and its partners report improved performance in two-thirds of performance indicators in their priority areas

26. After agreeing its three strategic themes (economy and skills, safer communities and wellbeing), East Ayrshire CPP identified 137 indicators to monitor progress. From these, the CPP also identified a set of 38 core indicators to more concisely summarise progress.³ The CPP selected what it considered to be the most suitable indicators from the Menu of Local Outcome Indicators. The Improvement Service developed this menu and recommended councils use it within the Single Outcome Agreement Guidance that applied at the time.

27. There is evidence of improved performance in the CPP's priority areas. The CPP has reported improved performance in more than two-thirds of its performance indicators between 2013/14 (the year before the strategic themes were agreed) and 2016/17.^{4 5} [Exhibit 2 \(page 15\)](#) breaks down performance trends across the three strategic themes for all indicators and for the core indicators. Performance improved:

- in seven of the eight core indicators for economy and skills
- in over half of the core indicators for safer communities
- in around three-quarters of the core indicators for wellbeing.

Exhibit 2

Overview of East Ayrshire CPP's performance against its strategic themes

The CPP reported improvement in 71 per cent of performance indicators between 2013/14 and 2016/17.

Strategic theme	Number of indicators ¹	Percentage of indicators with improved performance	Number of core indicators	Percentage of core indicators with improved performance
Economy and skills	36	81%	8	88%
Safer communities	62	61%	19	53%
Wellbeing	36	78%	11	73%
Total	134	71%	38	66%

Note: 1. Data was not available for three indicators at March 2018.

Source: Audit Scotland, *Community Planning Delivery Plan and Single Outcome Agreement Annual Performance Report 2016/17*, East Ayrshire Council and East Ayrshire Community Planning Partnership Board, 2017

28. [Exhibit 3 \(page 16\)](#) provides examples of indicators in which the CPP reported significant improvements in performance and those in which it still needs to improve.

East Ayrshire Council's overall performance has improved in recent years compared to other councils

29. The Local Government Benchmarking Framework (LGBF) allows councils to compare themselves to the Scottish average. East Ayrshire Council's overall performance has improved in the last five years compared to other councils [Exhibit 4 \(page 17\)](#). Although there are over 70 performance indicators in the LGBF, this analysis is based on 35 single-year indicators measuring performance rather than cost. In 2016/17:

- Fifty-five per cent of the council's performance indicators were in the top two quartiles, that is, performing better than half of Scottish councils, compared with 40 per cent in 2011/12. The council performed particularly well in:
 - the percentage of A-class roads requiring maintenance
 - the cost of collecting council tax
 - levels of employee sickness absence
 - the percentage of social housing meeting a minimum standard.

Exhibit 3

Significant improvements and challenge areas across the CPP's three strategic themes

Examples of East Ayrshire CPP's performance indicators showing improvement and those requiring improvement, in the CPP's three strategic themes – economy and skills, safer communities and wellbeing.

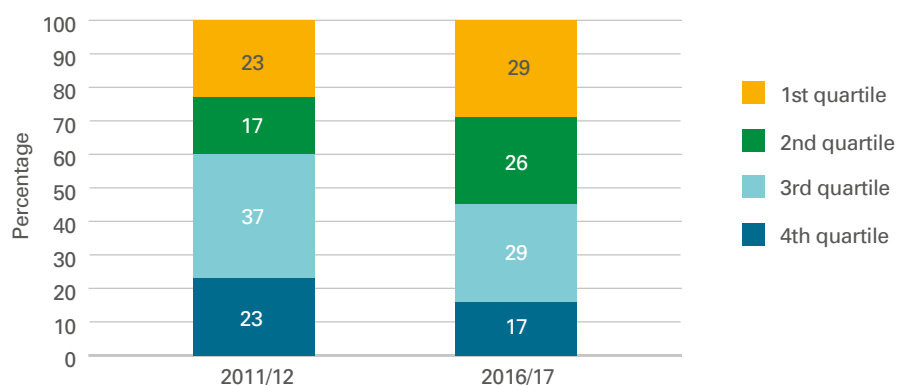
Showing improvement	2013/14	2016/17	Improvement over time	Requiring improvement	2013/14	2016/17	Decline in performance over time
Economy and skills				Economy and skills			
Business start-up rate per 10,000 population	28.6	33.1	4.6	Employment rate	68.3%	66.3%	-2.0%
Business survival rate (3 years after start-up)	59.6%	62.9%	3.3%				
Safer communities				Safer communities			
Total crimes recorded by Police Scotland per 10,000 population	468.6	433.7	-34.9	Annual number of reconvictions per 100 offenders	0.49	0.54	0.05
Incidents of anti-social behaviour reported to the police per 10,000 population	650.9	613.4	-37.5	Supply of drugs: detection rate	98.7	82.3	-16.4
Wellbeing				Wellbeing			
Number of alcohol-related hospital stays per 100,000 population	804	737	-67	Rate for general acute and day case stays with a diagnosis of drug misuse per 100,000 population	257.2	317.5	60
Percentage of children in primary 1 with no obvious dental decay experience	63.9%	71.4%	7.5%	Emergency inpatient bed day rates for people aged 75+ per 1,000 population	4,616	5,307	691

Source: East Ayrshire CPP and Audit Scotland

Exhibit 4

Comparing East Ayrshire Council's performance over time

The percentage of indicators where the council's performance is above average increased from 40 per cent in 2011/12 to 55 per cent in 2016/17.^{1, 2}



Notes:

1. Measuring council performance involves considering how all councils are performing, from lowest to highest for each indicator. From this, it is possible to see how one council compares to all councils. Relative performance against other councils is divided into four equal bands, or quartiles. The first quartile contains the best-performing councils for that indicator and the fourth quartile includes the poorest performing councils.

2. The 2016/17 figures do not add up to 100 due to rounding.

Source: Audit Scotland; and Local Government Benchmarking Framework, Improvement Service, 2016/17

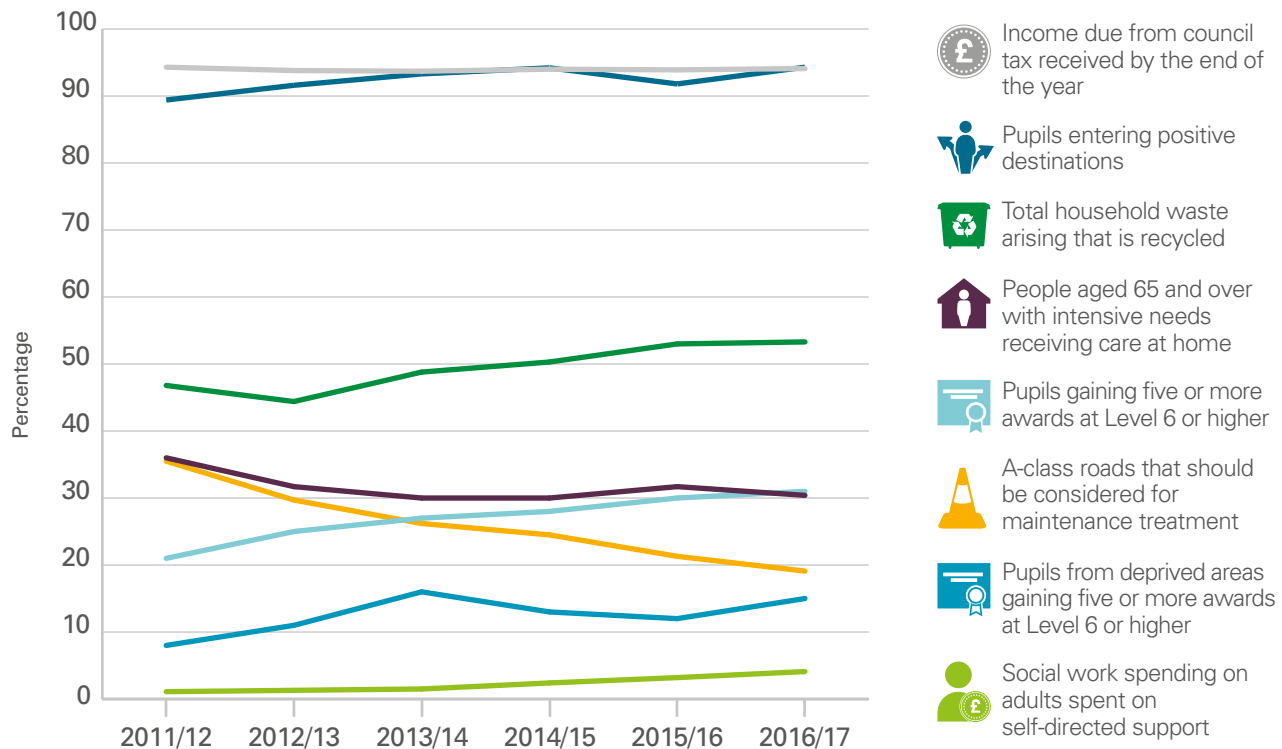
- The number of indicators in the bottom quartile (among the poorest performing councils) fell from 23 per cent to 17 per cent. The LGBF indicators in which the council performed less well compared to other councils included:
 - the time taken to process commercial planning applications
 - the percentage of school pupils gaining five or more awards at Level 5 or higher
 - average overall total tariff score. Every level and type of qualification in Scotland has an accompanying points score. The points gained by each pupil are added to create an overall tariff score
 - the percentage of unclassified roads that should be considered for maintenance treatment.

30. The Accounts Commission's report, *Local government in Scotland: Challenges and performance 2018* [\(download icon\)](#), selected eight measures from the LGBF that indicate council performance in services likely to be of significant interest to the public.⁶ It found that, across Scotland, councils' performance for these indicators over the last five years has either remained the same or improved. The exception to this was the proportion of social work spending on self-directed support.⁷ This dropped slightly between 2015/16 and 2016/17. Between 2011/12 and 2016/17, East Ayrshire Council's performance improved in six of these indicators ([Exhibit 5, page 18](#)):

Exhibit 5

East Ayrshire Council's performance against selected indicators, 2011/12 to 2016/17

East Ayrshire Council's performance has improved in six of the eight indicators over the last five years.



Note: The self-directed support indicator is the percentage of social work spending on adults, spent on direct payments or personalised managed budgets (where the budget is allocated to a provider the person chooses. The council holds the budget but the person is in charge of how it is spent). It does not include spending on support arranged by the council.

Source: Audit Scotland; and Local Government Benchmarking Framework, Improvement Service, 2016/17

- In education, the percentage of pupils gaining five or more awards at Level 6 or higher increased by over ten per cent for all pupils (from 21 per cent to 31 per cent) between 2011/12 and 2016/17. The percentage of pupils from deprived areas gaining five or more awards at Level 6 or higher increased (from eight to 15 per cent). The overall percentage of pupils entering a positive destination, such as further education, training or employment, also increased (from 89 to 94 per cent).
- The percentage of household waste that the council recycles increased by six per cent between 2011/12 and 2016/17.
- The proportion of adults receiving funding for self-directed support has increased steadily, from 1.1 to 4.1 per cent between 2011/12 and 2016/17 ([see endnote 7](#)).
- The percentage of A-class roads in East Ayrshire requiring maintenance has fallen considerably since 2011 (from 30 to 19 per cent). The council has one of the lowest levels of required maintenance in Scotland.

31. The council's performance declined in two of the indicators:

- The percentage of income due from council tax received by the end of the year fell from 94.3 to 94.1 per cent.
- The percentage of people aged over 65 with intensive needs receiving care at home decreased by six per cent, from 36 to 30 per cent.

32. The LGBF can be used to assess a council within family groups of comparable councils and to learn lessons that may improve its performance. Family groups are based on factors such as population density and levels of deprivation. This allows similar councils to compare and benchmark performance. Within its family groups, East Ayrshire Council tended to perform in the middle in most areas in 2016/17 except for:

- the percentage of A-class roads requiring maintenance, where it was the best performer
- the percentage of income due from council tax received by the end of the year where it was the poorest performer ([Exhibit 6, page 20](#)).

The council is addressing the challenges that remain in some areas, including employment and planning

33. 'Economy and skills' is one of three strategic themes agreed by East Ayrshire Council and its partners. But the percentage of people claiming unemployment benefits in East Ayrshire remains consistently higher than the Scottish average. In February 2018, the rate of unemployment for all ages was 3.4 per cent, compared to the Scottish average of 2.4 per cent.⁸ Youth unemployment (aged 16-24) is a particular problem in the area. While, the rate of youth unemployment was still significantly higher than the Scottish average, it had reduced from 5.5 per cent in 2015 to 4.5 per cent in 2018.

34. To improve employment levels, the council, with its partners, aims to 'help new and existing businesses to flourish, equip local people to access employment opportunities and support our young people to maximise their potential and ensure that they are prepared for the world of work.' It has succeeded in many aspects of this, with increased business start-up and survival rates and improved performance in pupils' attainment. The percentage of young people entering positive destinations after leaving school has been higher than the national average in three of the last four years. In the 16 years prior to this, the council performed better than the national average once. In 1997/98, 81 per cent of young people entered a positive destination; in 2016/17 this had risen to 94 per cent. The council and its partners need to build on this progress to deliver the desired step-change in levels of employment.

35. The average time taken by East Ayrshire Council to decide on commercial planning applications has generally been considerably higher than the Scottish average for the last four years. Between 2015/16 and 2016/17, the council reduced the average time taken from 25.2 to 11.8 weeks. The Scottish average in 2016/17 was 11.1 weeks. In 2016/17, the average cost to the council of processing a planning application was £7,300, compared to the Scottish average of £4,600. Since 2011/12, the cost has consistently been substantially higher than the Scottish average. Planning was identified in previous Best Value reports (in 2006 and 2010) as an area for improvement.

Exhibit 6

Performance relative to the Scottish average and relevant family group, 2016/17

East Ayrshire Council performed below the Scottish average in six of the eight indicators. Generally, the council's performance was in the middle of its family group.¹

Indicator	East Ayrshire Council	Scotland	Family group	% point change (2011/12-2016/17)
Percentage of pupils gaining 5+ awards at Level 6 or higher	31%	34%	Performance ranges from 24% to 37%	East Ayrshire 10% Scotland 8% Family group 6% to 12%
Percentage of pupils from deprived areas gaining 5+ awards at Level 6 or higher	15%	16%	Performance ranges from 11% to 23%	East Ayrshire 7% Scotland 6% Family group 5% to 11%
Percentage of social work spending on adults spent on self-directed support ²	4%	6%	Performance ranges from 1% to 19%	East Ayrshire 3% Scotland 4% Family group 1% to 10%
Percentage of people aged 65 and over with intensive needs receiving care at home	30%	35%	Performance ranges from 26% to 50%	East Ayrshire -6% Scotland 2% Family group -15% to 10%
Proportion of pupils entering positive destinations	94%	94%	Performance ranges from 92% to 98%	East Ayrshire 5% Scotland 4% Family group -2% to 5%
Percentage of income due from council tax received by the end of the year	94%	96%	Performance ranges from 94% to 98%	East Ayrshire 0% Scotland 1% Family group -1% to 2%
Percentage of total household waste arising that is recycled	53%	45%	Performance ranges from 50% to 59%	East Ayrshire 6% Scotland 5% Family group 1% to 14%
Percentage of A-class roads that should be considered for maintenance treatment	19%	30%	Performance ranges from 19% to 40%	East Ayrshire -16% Scotland -1% Family group 6% to -16%

Notes:

1. The council was placed in the top two quartiles for four indicators, in quartile three for three indicators and in quartile four for one indicator.
2. Self-directed support (SDS) allows people to choose how their support is provided, and gives them as much control as they want of their individual budget. This indicator is the percentage of social work spending on adults, spent on direct payments or personalised managed budgets (where the budget is allocated to a provider the person chooses. The council holds the budget but the person is in charge of how it is spent). It does not include spending on support arranged by the council.

Source: Audit Scotland

36. The council cites the following factors as contributing to its sustained poor performance:

- The economic downturn resulted in the council reducing the number of planning staff to match workload and to reduce costs. As economic activity began to increase, temporary staff were employed to cope with the increasing demand. Also, in 2013, the council seconded senior members of staff to a specialist team dealing with the impact of two large coal producers going into liquidation in East Ayrshire.
- The large numbers of planning applications for very complex windfarm and electrical facilities developments being submitted in a relatively short timeframe.
- A large number of legacy cases. These are usually planning applications that date back more than one year.

37. In 2015, the council reviewed the planning service. This review covered staff numbers, skills and capacity, current and pending workloads, service performance, customer satisfaction with service delivery, and reputation. Following the review, the council established new teams and increased the number of permanent planning posts by seven.⁹ We found evidence these changes have helped the service increase its productivity in processing planning applications and reduce the number of legacy planning applications. At the end of 2014/15 there were 124 legacy cases; in February 2018 there were 25.

The 2017 residents' survey reported high levels of satisfaction with most services the council provides

38. East Ayrshire CPP residents' surveys have been conducted every three years since 2005. The most recent one was in 2017. The questions in the surveys have remained broadly the same over time, to allow comparison over the years.

39. The 2017 survey was based on over 2,300 interviews with a representative sample of the population with high levels of satisfaction being reported in most services provided by the council. Ninety-eight per cent of East Ayrshire residents considered their town or village a good place to live, comparing favourably to a Scottish average of 95 per cent.¹⁰

40. Residents' satisfaction has increased in many areas since 2014. For example:

- Eighty-seven per cent of respondents in 2017 were satisfied with the standard of education compared with 73 per cent in 2014.
- Satisfaction with housing (council or housing association) rose from 74 per cent to 84 per cent.

Some areas had lower results than in 2014. For example, satisfaction with swimming pools and leisure facilities decreased from 67 to 50 per cent. Satisfaction with care at home also fell from 89 to 68 per cent over this period.¹¹

The 2018 joint inspection of children's services reported strong performance in several areas

41. The Care Inspectorate, working with Education Scotland, Healthcare Improvement Scotland and Her Majesty's Inspectorate of Constabulary for Scotland, inspected services for children and young people in East Ayrshire, reporting in March 2018.¹² The inspection assessed the services available to children across East Ayrshire from a range of organisations and the difference these services are making to the lives of children, young people and families.

42. Overall, the inspection team found that services in East Ayrshire were performing well. Across the nine quality indicators used to assess the quality of the services the council and its partner organisations deliver, East Ayrshire received two excellent grades, five very good and two good. The review identified many strengths in these services. These included:

- an ambitious vision
- a maturity of collaborative working
- the voice of children and young people being fully reflected in policy, planning and service development
- very good examples of leadership of change and innovation
- staff across the partnership demonstrating a willingness to embrace and champion new ways of working.

43. The inspection team identified a small number of areas for improvement. These included:

- maintaining the emphasis on improving the attainment gap and achievement outcomes for looked-after children and young people, in particular children who are looked after at home
- partners continuing to strengthen quality assurance processes to ensure greater consistency and sustained improvement in the quality of key processes.

The council and its partners have improved adult care at home services

44. As a result of demographic changes, the council anticipated a three per cent increase in demand for care at home in 2016/17. The council recognised this was not sustainable and staff believed the current model did not always achieve the best outcomes for people. As a result, it worked with its health care partners to change adult health and social care services.

45. A single team of social workers, occupational therapists and support assistants based across two locations is now in place to talk to people who may need to use services. The council refers to this as changes to 'front door' services. Previously, individual teams provided separate care, with a referral process between teams. The new model of care encourages local people to develop the confidence and skills to care for themselves, using personal

strengths, assets and wider community resources. This approach is more personalised and helps reduce the demand for social care and acute hospital admissions. Individuals now have only one worker to deal with, and staff from different services can liaise with each other more easily. This reduces inappropriate referrals and, in some cases, removes the need for a referral, for example if information and advice is all that someone needs.

46. The council and its partners reduced the number of hours delivered through care at home between 2015/16 and 2016/17 by over 12,000 (1.3 per cent). They have also significantly reduced referrals to local teams in the same period from 16 per cent to three per cent. These teams assess and support people aged 65 and over and people with physical disabilities and long-term conditions. Between January and October 2017 the team also reduced, by 34 per cent, the individual interactions with people who use services. Other benefits include a better quality of assessment, more emphasis on planned interventions and preventative work and a significant reduction in social worker caseloads.

47. There is potential to extend this approach to other council services to deliver, for example, an improvement in outcomes for looked-after children and young people. The new Transformation Strategy acknowledges this and includes an aim for the council to be:

- ‘an intelligent council using data to understand and reduce demand through prevention and early intervention’.

48. Another example of council intervention leading to demonstrable improvement in outcomes relates to educational attainment [Case study 1 \(page 24\)](#).

49. The council’s actions have also led to significant improvements in relation to school exclusions:

- In January 2017, the council’s education service began to provide attendance and exclusion data to individual schools in a more accessible format than previously available. Schools were encouraged to review this data. The council also analysed the data over the preceding three years to identify patterns and themes. This process highlighted two schools with particularly high numbers of exclusions. The education service then explored how exclusions could be reduced with the two head teachers. This was replicated with other schools and the education service developed alternative approaches to dealing with pupils who would otherwise be excluded. These included partnership working with the third sector and creating ‘support bases’ within the school. This approach has led to a 50 per cent reduction in exclusions. The two schools originally identified by the education service contributed significantly to this improvement.

Case study 1



The council's education service made effective use of new benchmarking data to support improvements in educational attainment

The council was aware that its performance around educational attainment was below that of other councils. When INSIGHT – an online benchmarking tool that provides comparative data on educational outcomes – was introduced in 2014, the council saw it as an opportunity to focus on improving attainment. The council's education service was proactive in using the tool, and underlying data, to both challenge and support schools. The council encouraged head teachers to take a closer interest in both their own data and their position relative to national data and, in particular, relevant virtual comparators. The virtual comparators focused on the attainment for each young person in East Ayrshire against ten young people with matching characteristics in other local authorities. The council was keen to promote healthy competition. The council also encouraged one of the head teachers in East Ayrshire to get involved in developing and applying INSIGHT at a national level; essentially becoming a leader for using the tool. The head teacher also worked directly with Scottish Government colleagues to develop and promote the use of the tool.

While it was important to bring head teachers on board, the council's central education team also carried out visits to discuss performance with individual schools. Essentially, schools were encouraged to self-evaluate using the INSIGHT tool, and there was then an external challenge session with the council's education staff.

The comparative approach extended beyond the council's boundaries, with the three Ayrshire councils establishing a pan-Ayrshire collaborative at an early stage. This involved establishing families of schools across the council areas to share effective practice in raising attainment. Schools in East Ayrshire were given a clear directive to participate in these activities.

The council adopted INSIGHT in 2014/15. The INSIGHT data for that year indicates that the percentage of young people who left secondary school in East Ayrshire with five or more awards at SCQF Level 5 or higher was 57 per cent – this had increased to 60 per cent in 2016/17.¹ Over the same period, the percentage of young people who left secondary school with five or more awards at SCQF Level 6 or higher increased from 29 per cent to 31 per cent.

Note: 1. Attainment initially dropped to 56 per cent in 2015/16.

Source: East Ayrshire Council

Part 3

Is the council using its resources effectively?



The council has managed its finances well and has saved £34 million since 2012. It now faces an estimated funding gap of up to £90 million over the next five years

The council prepares both medium- and long-term financial plans. Officers provide councillors with good information on financial plans and progress against plans. Councillors provide appropriate challenge and scrutiny.

The council is looking at a range of ways to make savings while continuing to deliver its priorities. It has set out early options in its new Transformation Strategy. The council recognises it has a lot to do to implement the strategy in the planned timescale.

The council is in the process of assessing what skills and people it needs to successfully deliver the change needed as part of its Transformation Strategy.

The council has effective financial planning and management arrangements

50. The council has effective financial planning and management arrangements. It prepares medium- and long-term financial plans. Senior management and councillors regularly review progress. Financial plans are linked to priorities and other strategic developments. Councillors challenge management where performance differs considerably from plans. Progress is discussed at Cabinet and at the Governance and Scrutiny Committee and there are regular presentations at members' seminars on both finances and wider developments. The council's spending is clearly linked to its priorities, but it could improve how it shows that the spending makes a difference to these areas.

51. The Cabinet reviews financial performance each quarter as part of the East Ayrshire Performs summary report. The Governance and Scrutiny Committee also scrutinises these reports. Further information is available on the councillors' intranet site and officers are available to discuss any aspects of the report with councillors. The level of scrutiny and debate is increasing as members' knowledge and understanding grows.

The council made significant savings with its first Transformation Strategy

52. The council's 2012-2017 Transformation Strategy set out specific actions to reduce costs and close a budget gap of £34 million. During this period, the council's revenue budget was on average around £300 million each year. A Transformation Board, chaired by the Chief Executive and consisting of members of the council's executive management team, was established to scrutinise the strategy over the five-year period. The board updated the strategy each year, as part of the annual budget-setting process. The council reduced costs across a number of areas at the same time as improving some services:

- **Alternative delivery models** – The council established the East Ayrshire Leisure Trust on 1 July 2013 and saved over £2 million to 2016/17. In addition to the savings achieved by reducing business rates, the Trust can access funds that are not available to the council and develop new income streams.
- **Service efficiencies** – Heads of service identified efficiency savings of at least two per cent a year. The council saved nearly £27 million over the five-year period. This includes savings as a result of staffing and management structure reviews, investment in reablement (where citizens develop the confidence and skills to care for themselves) and a review of the school estate, including school buildings and land.
- **Supported accommodation for adults with complex needs** – The £1.6 million Lilyhill Gardens development in Kilmarnock provides homes for 13 tenants with a range of support needs. The development is designed for people who have previously lived in intensive, supported accommodation and has a support base that all tenants share and that provides 24-hour care if required. Lilyhill Gardens has no specific savings targets, but the council has shown that it is less expensive than providing intensive supported accommodation in multiple locations. It also expects the development to provide an environment that:
 - promotes social interaction
 - gives the individuals and their families confidence that support will be available as and when required.

The council faces a significant funding gap of between £24 million and £90 million over the next five years

53. The council recognises that if it continues with current service levels and delivery models, there would be a funding gap over the next five years. This means the council's spending would be more than its income. It has made a number of assumptions to estimate the gap, for example about grant funding, council tax, pay inflation, contract inflation, demand pressures and known policy positions. There are a considerable number of uncertainties but the council's assumptions are reasonable and in line with other councils. Based on these assumptions, the council estimates the gap could be between £24 million and £90 million by 2021/22. It is developing its latest Transformation Strategy using the mid-point assumption of £55 million. By 2022, this would require savings of around 20 per cent of the council's current departmental revenue budgets.

The new Transformation Strategy will require the council to make major changes to the way it provides services

54. The council recognises that significant changes have taken place over the last five years, including:

- changes to technology and communication
- increased community engagement and greater customer expectation
- changes in local, national and international democratic control.

The Cabinet approved a new Transformation Strategy in October 2017. It highlights that the council needs to make further changes to how it runs services and that these will be much more difficult to deliver. The new strategy will encompass the financial plan to 2022 and the continuing transformation process through to 2030 to coincide with the community planning period.

55. The council is working with councillors, staff and communities to help develop the detailed plans needed to implement the strategy. The Head of Finance and ICT and the Head of Housing and Communities are jointly leading on transformation and appointed a dedicated transformation team in January 2018. This comprises seven members of staff, recruited from within the existing workforce.

56. Vibrant Voices is an innovative approach to stakeholder engagement. At various organised events for councillors, staff and communities, and in an online consultation, people were asked to provide suggestions for improving East Ayrshire in the context of the expected funding gap. Ideas were requested in the following areas:

- How do we reduce demand?
- How do we tackle poverty?
- How can we better serve you in the 21st century?
- How do we reduce costs and increase income?

57. At the events, the council clearly communicated the extent of the challenges that it and its partners face around the funding gap, the risks to services and the likely reduction in staff numbers. By February 2018, participants had put forward over 3,500 ideas.

58. In February 2018, the council agreed six transformational workstreams arising from Vibrant Voices, along with initial actions. It is due to report back to councillors in June 2018 with detailed project plans for each of the workstreams. The workstreams are as follows:

1. A fairer, kinder and connected East Ayrshire
2. Workforce planning – cultural change and service redesign
3. A digitally connected East Ayrshire

4. A vibrant and empowered East Ayrshire
5. Property and estate rationalisation
6. Income and commercialisation.


59. A number of English councils have delivered sustained transformational change on the scale required in East Ayrshire. They have tended to focus on six key requirements and there is some correlation with the council's six agreed workstreams ([Exhibit 7, page 29](#)).¹³ Detailed transformation plans showing the contribution each workstream will make in terms of financial savings and impact on priority outcomes are expected to be presented to the council in June 2018. It is essential these are delivered in June as planned, to support successful delivery of the Transformation Strategy.

60. Given the complexity of the changes required, the council also needs to consider the supporting infrastructure required to deliver the strategy such as:

- a programme management office (PMO) function
- its change management approach
- tools and templates to assess whether intended benefits of change have been achieved
- whether it requires external specialist support for any aspects of the strategy.

61. The council intends to reassess the size of the funding gap on a regular basis. The reduction in grant funding for 2018/19 was lower than expected. A review is currently under way and it seems likely the range will be narrower than in the first forecast. Closing the gap remains extremely challenging. However, there is evidence from councils in England this can be achieved and the council has already made contact with some of those who have been successful.

The council does not have an organisation-wide workforce plan

62. While the council plans its workforce at a service level, it does not have an overall plan setting out the people and skills it needs to deliver services in future. Our [Local government in Scotland: Challenges and performance 2018](#)  report recommends that organisation-wide workforce plans should include:

- the numbers, cost and skills of the current and the desired workforce
- how the move from the current to the desired workforce will take place and when it will be achieved.

The council is currently developing an organisation-wide workforce plan as part of its transformation work on workforce planning ([paragraph 58](#)).

63. The council's People Strategy 2017-2022 describes the council's vision for supporting and developing its staff. It sets out the factors it needs to take into account when developing and planning its workforce. For example, staff will need to work more collaboratively, there will be a greater emphasis on prevention

Exhibit 7

Six key requirements for transformational change

Requirement	Description	Design principles
1 A strategic driven response	<p>Determining the size, structure, sourcing approach and governance of the organisation is crucial to successful delivery.</p> <p>Identify the capabilities required and how people will be trained and performance managed around new ways of working.</p> <p>Consider the link between physical location and new ways of working, both in terms of cost savings and enabling future service delivery.</p>	<p>First ask whether someone else is better placed to deliver.</p> <p>Create a flexible and adaptable workforce – whether directly employed or delivering on our behalf.</p> <p>Provide infrastructure and business change required to support agile working.</p>
2 Being a 'place' leader	<p>New arrangements will be required for partnering with other local authorities, the wider public sector, commercial partners, the third sector and communities.</p>	<p>Adopt a place-based approach by default, that is, work in partnership with other agencies as a matter of course.</p>
3 Digital data analytics and insights	<p>Determine the best way for engaging with internal and external customers.</p> <p>What are the data requirements underpinning service delivery and how will data be produced and accessed?</p> <p>Set out the systems implications, together with investment and benefit estimates.</p>	<p>Promote the use of digital channels for our services.</p> <p>Prioritise data quality and management in order to underpin decision-making with reliable data analytics.</p> <p>Source technology functionality in most effective way, for example the Cloud, existing public sector investment.</p>
4 Efficiency, productivity and income generation	<p>New standardised processes need to reflect the agreed design, be efficient, effective and scalable.</p>	<p>Redesign all processes supported by new channels rather than adapting legacy processes.</p>
5 Outcome-focused partnership working	<p>Ensure service 'offer' is affordable, customer focused and responds appropriately to demand.</p>	<p>Target our resources on our key priorities and outcomes.</p>
6 Reframing the relationship between the citizen and the state	<p>Understand number, nature and requirements of customers.</p>	<p>Empower citizens and communities to do as much as they can for themselves (demand management).</p>

Source: Deloitte

and staff will need to use new technologies. The council's new Transformation Strategy also notes the council will be smaller and will employ fewer people.

64. While it needs to undertake further work to determine its future workforce requirements, the council has highlighted some key issues that will influence or support its thinking:

- The need for around 300 new workers to support the Scottish Government's plans for the expansion of childcare provision.
- Growing demand for care services for older people.
- The creation of a consistent, council-wide apprenticeship programme.
- Working with community planning partners to develop multi-agency, single teams.^{[14](#)}

Part 4

Is the council working well with its partners?



The council is fully committed to empowering its residents. It is helping communities develop the skills and confidence to deal with local needs and priorities

The council is encouraging people to get involved in making their community a better place to live. There is evidence of communities across East Ayrshire finding solutions to local issues. This has led to community groups having a positive attitude and a sense of control in shaping their own area.

The council includes people in planning services and spending public money. Local people have attended participatory budgeting events, where they decided which projects should receive funding.

Since 2014, the council has transferred responsibility for 44 assets to communities, such as buildings and land. This has given people greater control over services important to them, while reducing costs for the council.

Community planning partners continue to work well together. There are good examples of partnership working in care, economy and roads. The council and the NHS have a well-established partnership, strengthened by the Integration Joint Board (IJB). As is the case across Scotland, the council, the IJB and the NHS are working to resolve funding issues around the balance of care between hospitals and communities.

East Ayrshire's Vibrant Communities team was set up to change the council's relationship with local people

65. The Community Empowerment (Scotland) Act 2015 gives people more influence over how their council and its partners plan services. It provides more formal ways for people to get involved. For example, people can ask to take part in decisions about council services. This is called a participation request. The Act makes it easier for communities to take ownership of, or responsibility for, land and buildings in a process known as asset transfers. It also allows communities to have a say in how the council should spend public money locally.

66. East Ayrshire Council fully supports community empowerment and recognises the importance of building community capacity. This means supporting people to be more active in their community. It is about helping people recognise the skills, strengths and experience that exist locally and using

these skills to deal with issues most important to local people. The council is doing this through its Vibrant Communities approach.

67. The Vibrant Communities approach began in 2013. It brought together employees from a range of council services including: Leisure Development, Community Learning and Development, Democratic Services, Social Work and Active Schools. The aim of Vibrant Communities is to move away from the traditional way of working 'for people', to working 'with people'. [Exhibit 8](#) shows the principles of the Vibrant Communities approach. Vibrant Communities focuses on two areas:

- Early intervention and prevention – this is about taking action as soon as possible to tackle problems for children, families and vulnerable people.
- Sustainable communities – this is about empowering and enabling communities to get more involved where they live.

Communities in East Ayrshire have developed local plans, with the council's support

68. The council's community-led action planning approach is a step-by-step process in which any member of a community can participate. People come together to discuss local needs and priorities and then agree actions to improve their local area.

69. Since 2014, the council has supported 18 communities to develop and implement community-led action plans. At the time of this audit, four more plans were being developed. Hundreds of community representatives across East Ayrshire have come together to develop community-led action plans. All community groups follow a similar process to ensure the final plan represents the views of local residents. This includes surveying residents and holding a community event before finalising the plan ([Exhibit 9, page 33](#)). Around 40 per cent of all households in East Ayrshire were surveyed as the 18 community-led action plans were developed.

Exhibit 8

Vibrant Communities' vision

The council set out the following principles for Vibrant Communities.

- Take a community development approach to our work
- Listen to our communities and value their knowledge, skills and experience
- Empower communities and build their resilience
- Focus on reducing inequalities in our most deprived communities
- Prioritise prevention and early intervention approaches
- Build sustainability into all work.

Source: East Ayrshire Council

Exhibit 9

Stages in developing a community-led action plan

Groups need to survey all households in the community. They can also survey young people and meet with businesses. Overall, they need a response rate of 40 per cent before going ahead with the plan. This stage can take up to eight months to complete.



Source: East Ayrshire Council

70. Each five-year plan sets out the community's vision, its priorities and needs and the actions it will take to address issues. Actions range from improving local parks and road signs to organising community events and village clean-ups. The community representative groups meet regularly to monitor progress and keep the actions on track. They keep the wider community up-to-date on progress using social media and websites. While the plans are owned and led by various community groups, sometimes they work with the council and its partners to achieve these. Community groups recognise the importance of working with the council, particularly when it comes to broader priorities for the area such as transport and regeneration.

Vibrant Communities staff play a key role in helping communities to develop local action plans

71. Dedicated Vibrant Communities community workers support and guide community representatives to develop and implement their plans. The community worker is the main point of contact between the group, the council and its partners. This approach also gives the council a better understanding of local issues.

72. Community workers also provide advice to the groups, for example putting them in touch with the right council service or advising on how to access external funding. Approaches to funding can include fundraising events and getting support from local business. Community groups can apply for grants the council cannot access. Across East Ayrshire, 213 community projects have received over £5 million of external funding from different sources such as Central Scotland Green Network and the Big Lottery Fund.

73. The Vibrant Communities team also works with local people in disadvantaged areas. For example, Shortlees community in Kilmarnock, which is high on the Scottish Index of Multiple Deprivation (SIMD), welcomed the opportunity to prioritise its local needs. Its community-led action plan, launched in 2015, set out projects aimed at improving the life of people who live in the area. For example residents identified the need for a small community space, open to everyone, where they could hold community activities. Council for Voluntary Organisations East Ayrshire was successful in its bid for funding from the Big Lottery to set up Our Wee Place community hub. This opened in July 2017, providing local people with a place to come together, join in events and learn more about how to get involved in their community, for example by volunteering.

Community-led action plans have brought positive changes for local people

74. There are many examples across East Ayrshire of community groups successfully addressing their local needs and priorities. One example is Mauchline Action Group, which raised £84,000 from different funders to transform underused land in the centre of Mauchline into a Community Growing Garden. The Action Group told us this has led to pride of place and has strengthened community spirit. [Case study 2 \(page 35\)](#) is an example of the positive impact community-led action planning has had on a local community in East Ayrshire.

Case study 2

New Cumnock's community led action plan



New Cumnock's Action Group launched its community-led action plan in 2014. Local people identified a number of areas in the town centre they wanted to redevelop, including the Town Hall and the outdoor swimming pool.

The group asked the charitable organisation, the Great Steward of Scotland's Dumfries House Trust, to help renovate the Town Hall. They worked together to make sure the new community space would meet the needs of local people. The New Cumnock Action Group consulted with local people to find out what they wanted in the new facilities. It also set up a series of sessions with a representative from Dumfries House to discuss the community's needs. The Trust took ownership of the Town Hall in 2015 and began work to restore the historic building. Local people were involved throughout and had the opportunity to comment on the design of facilities as these were being developed. Another local community group (Afton Water Leisure Group), set up to run New Cumnock's outdoor pool voluntarily, also approached the Trust to help save this community asset. New Cumnock Action Group, East Ayrshire Council and the Dumfries Trust worked together to achieve the community's priorities. The Trust took over ownership of the pool and began restoration work. The council created a car park for the new facilities.

The former Town Hall is now a multi-purpose community centre offering lots of activities for local people. The outdoor pool is now open from March to November. As well as providing public swimming and swimming courses for the local community, it is a tourist attraction as it is the only heated freshwater outdoor pool in Scotland.

Source: East Ayrshire Council

Communities across East Ayrshire have taken over local buildings and land and are providing vital services for local people

75. A community asset transfer happens when a council gives over responsibility for a building or land to a community group or social enterprise. The group then becomes responsible for managing and maintaining the building. There are many reasons local people would take on ownership of council facilities, for example to protect a service their community would otherwise lose. East Ayrshire Council's Cabinet approved the Community Asset Transfer policy in October 2012.

76. Vibrant Communities has a dedicated community asset transfer team to help communities apply for an asset transfer. This team offers legal, planning and business advice, and advise on alternative funding streams community groups can access. Since 2014, the council has successfully transferred 44 assets to local groups. Examples include community centres, libraries and golf club buildings. [Case study 3 \(page 36\)](#) on Ochiltree is an example of how local people came together to take on a local facility people felt was essential to their community.

Case study 3

Community asset transfer: Ochiltree Community Centre and Library



The council announced in May 2013 that Ochiltree Community Centre and Library would be available for community asset transfer. A group of volunteers who believed it was important for the village to have a community centre then set up a steering group. The group surveyed local people and found they also felt strongly about having a centre with community facilities for everyone. This laid the foundations for the Ochiltree Community Hub. The group was established as a Scottish Charitable Incorporated Organisation (SCIO) in October 2014. The village's community-led action plan, which had been launched that year too, also identified a community hub as a top priority.

Ochiltree Community Hub established a formal partnership with the Prince's Foundation for Building Community, a charity founded by HRH The Prince of Wales. Together they developed the design for the new community space. The council demolished the buildings that formed the original community centre and library as these were no longer fit for purpose. The council then transferred ownership of the cleared site to the Ochiltree Community Hub. The Hub group worked with various partner organisations to progress the project including local businesses, National Library of Scotland, Ochiltree and Skares Community Action Group.

They have managed to get over £1.4 million of funding from different sources including the Big Lottery, Minerals Trust, Leader, Scottish Land Fund, Robertson Trust, Bank of Scotland Foundation. They received confirmation of £352,000 funding from the Regeneration Capital Grant Fund in March 2018.

Source: East Ayrshire Council

The council encourages people to get involved in decisions about services and spending public money

77. Participatory budgeting gives local people the opportunity to decide how public money is spent in their communities. Communities set up events to discuss proposals put forward by local people, before people vote on which project should get the money. This is usually a small amount of money for small-scale projects.


78. The Vibrant Community Investment Team has been working closely with local communities to raise awareness of the participatory budgeting process. With the support of this team, community groups in East Ayrshire led 19 participatory budgeting events in 2016/17 and 250 projects shared £220,000. These have enabled local communities to have a say in where and how money should be spent. For example at the event in Patna, the community voted for £500 to be allocated to the local mother and toddlers' group to provide it with much-needed toys and outings, and they also voted for £2,000 to be allocated to a local group to set up exercise classes for older people. Council leaders have agreed that at

least one per cent of local government budgets will be subject to a participatory budgeting approach by the end of 2021. This would be equal to £2.3 million for the council.

79. The council consults and engages with its communities about the services it delivers in many other ways, for example it carries out a tenants' survey and a children and young people survey. Also, as part of the CPP, it conducts a residents' survey ([paragraphs 38–40](#)). This gives the council useful information about what it should be doing for communities, and helps it to engage with its residents in many ways so it knows what they think about services.

Community planning partners continue to work well together

80. The council and its community planning partners have a strong history of partnership working. Their first joint strategic plan was prepared over 15 years ago, and they continue to work towards a single vision, as set out in their most recent community plan. Both the council and its partners' plans are aligned to the CPP's three strategic themes. CPP meetings are well attended by elected members, officers and partners. There is evidence of both trust and challenge between partners at these meetings. Examples of good partnership working include the new care at home service ([paragraphs 44–46](#)) and the council's engagement with the business sector ([paragraph 87](#)).

81. Another significant example of the council working well with partners is the Ayrshire Roads Alliance (ARA). Established in April 2014, between East and South Ayrshire councils, the ARA sees the two councils working together to provide roads-related services. We reported positively on the ARA in our 2016 report, [Maintaining Scotland's roads: a follow-up report](#) .

82. The percentage of A-class roads in East Ayrshire in need of repair fell from 29 per cent in 2011-13 to 19 per cent in 2015-17. This has been a stable downward trend over the time period, while the Scottish average has remained fairly stable at around 29 per cent. East Ayrshire is among the best performing councils for this indicator. Over the same time period, the percentage of B-roads in need of repair fell from 38 per cent to 34 per cent (Scottish average: 35 per cent). The percentage of C-roads in need of repair fell from 42 per cent to 39 per cent (Scottish average unchanged at 35 per cent). As noted at paragraph 29, the percentage of unclassified roads in East Ayrshire in need of repair is in the bottom quartile, at 46 per cent, in 2013-17.

The council and the NHS have a well-established partnership, strengthened by the East Ayrshire Integration Joint Board

83. The Scottish Government has, over recent years, required councils and the NHS to work more closely together to provide services. New structures have been created, including Integration Joint Boards (IJBs). These IJBs comprise staff from councils and the associated health boards, as well as councillors and other stakeholders. They are responsible for developing strategic plans on how to deliver services. Councils and health boards delegate budgets to the IJB and the IJB decides how to use these funds to achieve the objectives of the strategic plan. The IJB then directs the NHS board and council to deliver services in line with this plan.

84. East Ayrshire was one of the first areas in Scotland to form an IJB (in April 2015). The IJB worked quickly to agree its plan, which reflects both national and local commitments. The partnership recognises that increasing demand, less money and the need to make savings means that it needs to think and work differently. The IJB approved a medium-term financial plan (2017/18 – 2021/22) for the partnership in November 2017. The plan identified an indicative budget gap of around £38 million to 2021/22 with around £21 million of this gap needing to be delivered by radically transforming how the IJB provides services.

85. The IJB has made significant progress to date but recognises that challenging areas remain. In common with other IJBs across Scotland, it has not managed to resolve issues around the 'set-aside budget'. Scottish Government guidance recommends that the NHS board set aside a budget for large hospital services that are used by the associated IJB population. East Ayrshire was an early adopter of integrated care. But there is no evidence that the NHS set-aside budget is integrated into the IJB's budget.

86. The IJB is looking at ways to provide more care in the community rather than in an acute setting, such as hospitals. It has improved its performance in some important health and social care indicators since the Health and Social Care Partnership (HSCP) was formed in 2015, with more people being supported in the community. But there is increased demand for both community and hospital care. As a result, pressure on acute hospitals remains high and local health partners do not believe they are in a position to safely reduce these services. This issue applies across Scotland, and the council and its partners have been proactive in attempting to resolve it. Significant challenges remain, however, in delivering the full benefits of integration.

The council engages with the business sector but would benefit from a council-wide business sector engagement plan

87. There are a number of examples where the council is engaging with the business sector in the area, including the following:

- The council recently challenged all nine secondary schools to establish good links with at least ten employers. In 2016/17, the council reported that 367 partnerships were established between schools and local businesses.¹⁵ Loudoun Academy identified a potential need for engineers due to an ageing population of engineers nationally. It set up a programme where engineering companies visited the school to mentor those children who showed an interest in a career in engineering. It also engaged with the University of Strathclyde and Ayrshire College to provide further support.
- The economic development service has a portfolio of businesses and encourages both employability and business growth.
- Business Gateway, which now has clear links to the council's economic development service, has relocated to a more prominent position in Kilmarnock. As a result of this increased visibility, enquiries from local businesses have doubled.

88. A study on business support was conducted across the three Ayrshire councils and reported to East Ayrshire Council in June 2017, concluding:

- 'The three Ayrshire councils are currently engaged with, at best, 15% of the business base (some 9,000 companies) and at worst 5%. Particular segments of the business base are "slipping through the net" which represent significant numbers of companies which could be supported to grow their business.'
- 'Importantly, evidence of take up of services suggests that "middle-ground" growth businesses, in particular, have inconsistent access to appropriate services and products. There is therefore a need to recognise this (significant) segment of companies and better target them with the type of support likely to be required by them.'
- 'Overall number of businesses supported in East Ayrshire is highest of all three council areas'.¹⁶

89. The CPP's Economy and Skills Delivery Plan and the council's initiative to engage and stimulate business (Invest in East Ayrshire) identify actions and measures of success relating to business engagement. However, they do not include a number of areas we would expect to see in a comprehensive council-wide business engagement plan. For example, they do not capture the current relationships the council has with businesses and there is no assessment of businesses' areas of strength and where improvements could be made. They also do not include feedback from business leaders. The council would benefit from developing these documents further, to include these factors and to set out a prioritised schedule of business engagement.

The council is working with North and South Ayrshire councils on an Ayrshire Growth Deal

90. The three Ayrshire councils (East, North and South) submitted an 'Ayrshire Growth Deal Prospectus' to both the Scottish and UK governments in October 2016. This asked for £350 million to develop a number of projects in the region. These included proposals for aerospace, life sciences, manufacturing and infrastructure. The councils are working with the UK and Scottish governments to secure funding. The UK Government asked the Ayrshire Growth Deal to demonstrate how it can contribute to delivering the new Industrial Strategy (January 2017). The Scottish Government's 2018-19 budget statement maintained its commitment to 'deliver a regional deal for Ayrshire', setting out it was 'already in discussion' with Ayrshire about a growth deal. The UK budget statement did not promise any financial commitment in 2018 (as it did in other areas) but in March 2018 the UK Government announced it would formally begin talks with local partners for a growth deal for Ayrshire.¹⁷

91. The Halo Regeneration project in Kilmarnock was included in the Ayrshire Growth Deal. It aims to transform the former Johnnie Walker bottling plant into a site with hundreds of new homes and an energy and innovation hub. The £26 million first phase of the project attracted funding of £5.3 million from the Scottish Government in September 2017 and £3.5 million from the UK Government. The council's contribution is £2 million and contributions from the private sector (Diageo £2 million and Halo Kilmarnock Ltd £13.2 million) have also been confirmed. Partners believe that the project could create up to 1,800 jobs and add £63 million to the economy.

Part 5

Is the council demonstrating continuous improvement?



The council has a long-established culture of self-assessment and improvement

The council uses self-assessment to provide assurance on the quality of its services and that it is making good progress toward its priorities. The council addresses any areas that are not meeting expectations.

The council uses the results of external scrutiny to target improvement activity. It also compares its performance to other councils and works with others to share good practice around improvement.

The council continues to invest in self-assessment and improvement activities at strategic, service and partnership levels

92. The council has a long-established culture of self-assessment and improvement, going back to 1998. The council has long-standing arrangements for strategic self-assessment of performance. This exercise assesses and scores the council's arrangements against the ten Best Value criteria, and uses the input of 'critical friends' to develop actions for improvement. These 'critical friends' have both knowledge and experience of services provided by public sector organisations and their partners.¹⁸ The latest strategic self-assessment was completed in June 2016 (previous exercises took place in 2005, 2008 and 2012) and drew on the experience of 'critical friends'; each having significant public sector experience in the strategic themes. As a result of this exercise, the 'critical friends' identified these three issues:

- Impact: the strategic self-assessment did not sufficiently set out the difference made to residents as a result of the council's and partners' actions.
- Partnership working: the 2012-2017 Transformation Strategy focused on the council's financial sustainability, that is, how the council is making sure its financial position is, and remains, viable. It did not set out how partnership working might assist in tackling issues.
- Priorities: the council had different sets of priorities set out within its community plan, Single Outcome Agreement and Transformation Strategy. There is a need for these to be more closely aligned.

The council has been addressing all of these issues using the improvement plan developed as part of the assessment.

93. At a service level, East Ayrshire Council uses the following ways to assess performance:

- Two-yearly European Foundation for Quality Management (EFQM) assessments. These require members of staff from individual services to consider and record their service's strengths and areas for improvement against a standard EFQM question set. A meeting then takes place to agree an improvement action plan. Trained EFQM assessors from different council services and the council's central performance team facilitate discussions and provide support and challenge.
- A three-year programme of Best Value service reviews to identify potential improvements. These are more fundamental assessments, carried out by the service itself with the help of the council's central performance team. They consider the need for the services it provides and the way these services are organised and delivered.

Improvement actions from EFQM assessments and Best Value service reviews are then reflected in annual updates to service improvement plans, where appropriate.

94. An example of where the council's self-assessment processes have clearly contributed to improvements for East Ayrshire's residents is in the level of housing voids. These are empty properties the council owns. The council has been in the bottom quartile for performance in void rent loss and re-let times since 2010/11. EFQM assessments identified how the service could improve. This resulted in a specific improvement action for the housing and communities service to improve performance around housing voids. Three service improvement groups were set up in 2016 to look at allocations and voids, homelessness and sustainability and how the service could maximise its income. Improvements included:

- reviewing all operational procedures for managing voids and allocations
- introducing an estate agent approach to improve the appearance of and promote voids
- increasing performance reporting on voids.

These changes have resulted in the level of rent loss from voids reducing from three per cent in 2015/16 to 1.8 per cent in 2017/18.¹⁹

95. The council also periodically reviews the effectiveness of the self-evaluation tools it uses. The last review of the EFQM assessment approach took place in 2014, and identified areas for improvement such as moving to a more rigorous scoring system and including challenge by a team of internal staff trained as accredited EFQM assessors.²⁰

The council makes effective use of external scrutiny and looks beyond its own boundaries for opportunities to improve

96. The council welcomes external review and scrutiny as an opportunity to identify areas for improvement. For example, when Education Scotland identified weaknesses in a small number of primary school inspections, the council reviewed other primary schools to identify and address any similar weaknesses.

97. As we described earlier in this report, the council works in partnership with other councils in Ayrshire to deliver services. The council, working with the Improvement Service, hosted an event in 2016 to focus on community empowerment. It was well attended by councils from across Scotland and provided opportunities to share experiences and good practice. The council has also been exploring opportunities to share learning with Wigan Council, which has been implementing a major programme of transformational change.

The council was the subject of positive Best Value reports in 2006 and 2010 and continues to perform well

98. In 2006, East Ayrshire Council was subject to an audit of Best Value and Community Planning. In 2010, it was one of five councils chosen by the Accounts Commission to act as pathfinder audits to test various aspects of its new risk-based approach to Best Value (BV2). Both audits resulted in positive reports highlighting:

- strong leadership
- clear plans taking account of the needs of local citizens
- highly effective partnership working through community planning
- services performing well overall.

Across the two audits the Commission did identify how the council needed to improve in the performance of planning, aspects of social services and, with its partners, in outcomes related to regeneration and health. East Ayrshire Council's Best Value timeline is set out in the [Appendix](#).

99. Since 2010, the annual risk-based and proportionate Shared Risk Assessment we carry out with other scrutiny agencies has not identified the need for a further audit of Best Value at the council. Across this period the council has continued to perform well, and has improved its performance ([Part 2](#)). The council has also addressed areas we identified for improvement in our 2010 Best Value report. These include developing a new performance management system, aligning resources with strategic priorities and improving training arrangements for councillors.

100. The challenges facing local government have changed significantly since the 2010 report, and the council has succeeded in maintaining its strong performance ([Exhibit 10, page 43](#)). If it is able to effectively implement its new Transformation Strategy, and resolve issues relating to health and social care, it will be well placed to sustain both services and its performance levels.

Exhibit 10

Comparing selected Best Value judgements, 2010 and 2018

The difference in Controller of Audit judgements between 2010 and 2018 shows East Ayrshire Council is continuing to improve and is well placed to deliver further improvements.

Controller of Audit judgement 	Controller of Audit judgement 
Strategic direction: The council and its partners have a clear and ambitious vision for East Ayrshire based on a sound understanding of the area and the needs of local communities. The chief executive provides strong and clear leadership for the council.	The council has strong leadership and, with its partners, has a clear vision of what it wants to achieve for the people of East Ayrshire. Councillors and staff support this vision.
Performance: Services generally perform well and the council has plans to progress areas for further improvement (social services, planning and regeneration).	The CPP's overall performance is improving and the council's performance has improved compared to other councils. The council is addressing the challenges that remain in some areas, including employment and planning.
Resources: The council manages its resources well, and continues to develop its approach to making the most of its people, money and property in support of delivering the partnership's strategic priorities.	The council has effective financial planning and management arrangements and has saved £34 million in the last five years. It faces a significant funding gap over the next five years. It has set out early options on ways to make savings and deliver services in its new Transformation Strategy. It recognises it has a lot to do to implement the strategy in the planned timescale.
Working with partners: Partnership working is highly effective, and is helping to deliver improved services. However, some longer-term outcome indicators remain below the national average – economic regeneration and health.	The council continues to work well with its partners. There are good examples of effective partnership working in care, the economy and roads. The council and the NHS have a well-established partnership, but need to resolve issues around resourcing a shift of relevant hospital care services into a community setting.
Community engagement: The council and its partners have well-developed arrangements for engaging with local communities. Customer satisfaction is generally good, but needs attention in some areas of service delivery, which the council is now addressing.	The council is fully committed to empowering its residents. It is helping communities to develop the skills and confidence to deal with local needs and priorities. The 2017 residents' survey reported high levels of satisfaction with most services provided by the council.
Continuous improvement: There is an embedded culture of continuous improvement and a well-established and comprehensive approach to self-evaluation and review, which has resulted in improvements to processes and impact in important areas. The council has a good track record of delivering improvement and so is well placed to continue to do so.	The council has a long-established culture of self-assessment and improvement. The council uses self-assessment to provide assurance on both the quality of services and that it is making good progress toward its priorities. The council looks beyond its own boundaries for opportunities to improve.

Recommendations



The council's latest Transformation Strategy provides a good basis for the future sustainability of council services. In order to meet the challenges ahead, it is essential that the council delivers the detailed plans needed to implement the strategy in June, as planned. The council should put in place appropriate arrangements to support, monitor and deliver the expected outcomes. This includes:

- creating a programme management office to coordinate people and activities
- developing tools to assess whether the council has achieved its aims
- determining and securing the skills necessary to implement the strategy. ([paragraphs 58–60](#))

The council should develop an organisation-wide workforce plan, including information on:

- the numbers, cost and skills of the current and the desired workforce
- how the move from the current to the desired workforce will take place and when it will be achieved. ([paragraphs 62–64](#))

Strong relationships exist between the council, the IJB and the NHS in East Ayrshire. These should be used to help the council, the IJB and the NHS resolve issues around resourcing a shift of relevant hospital care services into a community setting, recognising this is a national issue. ([paragraphs 84–86](#))

The council should examine how its approach to reducing demand for services, for example the development of its 'front door' services, could be extended to other areas of its work. ([paragraphs 44–47](#))

The council should develop a council-wide plan for working with the business sector. This should build on the CPP's delivery plan for economy and skills and the council's 'Invest in East Ayrshire' initiative, and specify how such work will take place in each relevant service area, and how the council will coordinate and monitor activity. ([paragraphs 87–89](#))

Endnotes



- ◀ 1 *SIMD16 council area profile and analysis: East Ayrshire*, Scottish Government, November 2016.
- ◀ 2 *Scotland's Labour Market, Table and Charts*, Scottish Government, February 2018.
- ◀ 3 *Community Planning Delivery Plan and Single Outcome Agreement Annual Performance Report 2016/17*, East Ayrshire Council and East Ayrshire Community Planning Partnership Board, 2017.
- ◀ 4 Improvement is based on performance against a baseline of 2013/14 (the last full year before the Community Plan was agreed in 2015) and for most indicators the latest data available is for 2015/16 or 2016/17.
- ◀ 5 *Community Planning Delivery Plan and Single Outcome Agreement Annual Performance Report 2016/17*, East Ayrshire Council and East Ayrshire Community Planning Partnership Board, 2017.
- ◀ 6 The full range of indicators includes unit costs and public satisfaction. These are available on the Improvement Service website – www.improvementservice.org.uk/benchmarking/
- ◀ 7 This indicator is the percentage of social work spending on adults, spent on direct payments or personalised managed budgets (where the budget is allocated to a provider the person chooses. The council holds the budget but the person is in charge of how it is spent). It does not include spending on support arranged by the council.
- ◀ 8 *Scotland's Labour Market, Table and Charts*, Scottish Government, February 2018.
- ◀ 9 *Review of Management Structure: Development Management*, Paper to East Ayrshire Council Cabinet, 7 October 2015.
- ◀ 10 *East Ayrshire Community Planning Residents' Survey, Research Report*, East Ayrshire Community Planning Partnership, September 2017.
- ◀ 11 The percentage of people expressing either satisfaction or dissatisfaction with care at home decreased between 2014 and 2017 as those filling in the 'neither/nor' option increased from 11 to 29 per cent. This may be indicative of less people in the survey being aware of, or using, the service.
- ◀ 12 *Services for children and young people in East Ayrshire: Report of a joint inspection*, Care Inspectorate, March 2018.
- ◀ 13 *Leading Transformation – The English Local Government Experience, SOLACE Masterclass*, Improvement Service, October, 2017.
- ◀ 14 *Development of the Transformation Strategy*, Paper to East Ayrshire Council Cabinet, 21 February 2018.
- ◀ 15 *East Ayrshire Council Annual Performance Report 2016/17*, East Ayrshire Council, 2017.
- ◀ 16 *Ayrshire Growth Deal Enterprise: Innovation and Internationalisation Framework: Evidence Base, Report for East Ayrshire Council*, Ekosgen, June 2017.
- ◀ 17 <https://www.gov.uk/government/news/prime-minister-visits-scottish-cashmere-workers-to-mark-one-year-to-eu-exit>
- ◀ 18 The 'critical friends' involved in the 2016 Strategic Self Assessment were Keir Bloomer, Pat Watters and organisational leads from NHS Health Scotland (Alana Atkinson and Wendy Halliday).
- ◀ 19 *Void performance – summary report*, Paper to East Ayrshire Council Cabinet, 24 February 2018.
- ◀ 20 *Performance Management and Improvement Framework*, Paper to East Ayrshire Council Corporate Management Team, 4 February 2015.

Appendix

Best Value audit timeline



Council
journey

May 2007

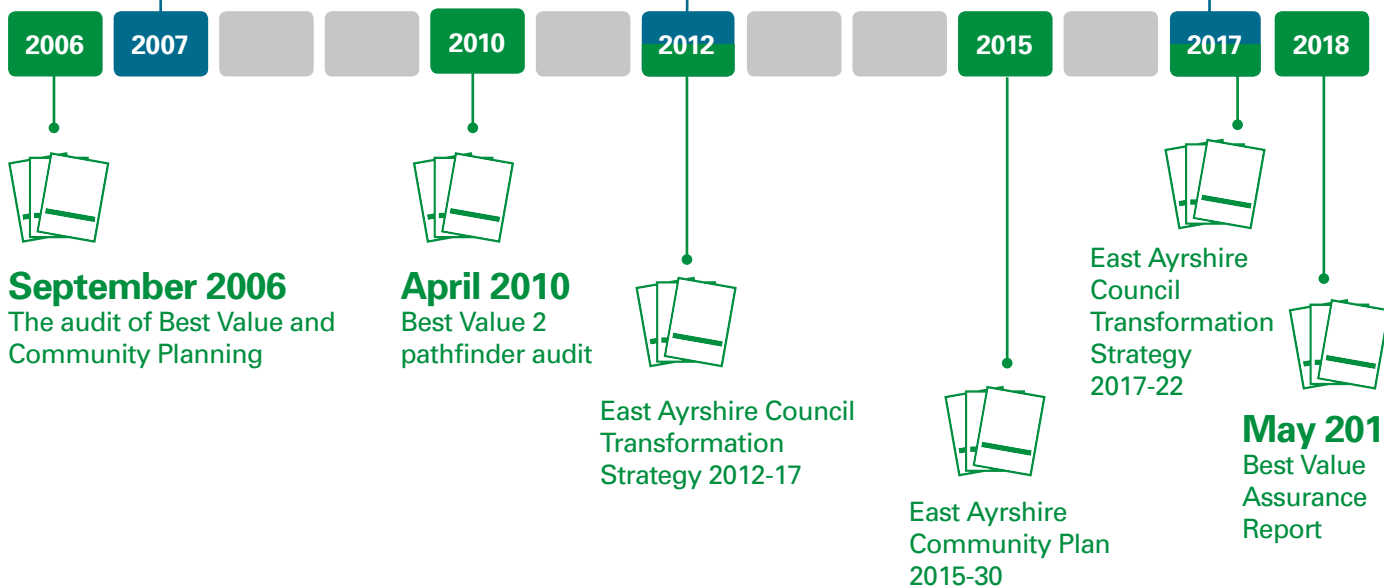
Scottish local elections
SNP minority
administration formed

May 2012

Scottish local elections
SNP/Conservative
coalition formed

May 2017

Scottish local elections
SNP minority
administration formed



September 2006 – The audit of Best Value and Community Planning:

The Accounts Commission (the Commission) published its first Best Value report on East Ayrshire Council in September 2006. It found the council was characterised by strong and effective leadership from its senior management and was developing a culture of continuous improvement throughout the organisation. It was focused on meeting the diverse needs of its communities, and was enthusiastic and innovative in working with a range of partners through Community Planning. Progress had been made in performance management and other essential elements of Best Value. However, further development was required, such as linking service and budget planning and more balanced reporting on service performance.

April 2010 – Best Value 2 pathfinder audit:

East Ayrshire Council was one of five councils chosen by the Commission to act as pathfinder audits to test various aspects of its new risk-based approach to Best Value (BV2). The Commission found services in East Ayrshire were performing well overall and partnership working within the council area was highly effective. The council and its partners had clear plans rooted in an awareness of the needs of local citizens. However, the Commission identified that improvement was needed in aspects of social services and planning.

May 2018 – Best Value Assurance Report:

The Controller of Audit will present a Best Value Assurance Report to the Accounts Commission at least once during the five-year audit appointment for each council. The report seeks to provide the Commission with assurance on the council's statutory duty to deliver Best Value, with a particular focus on the Commission's Strategic Audit Priorities.

Best Value Assurance Report

East Ayrshire Council

This report is available in PDF and RTF formats, along with a podcast summary at:

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Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN

T: 0131 625 1500 E: info@audit-scotland.gov.uk 

www.audit-scotland.gov.uk 

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