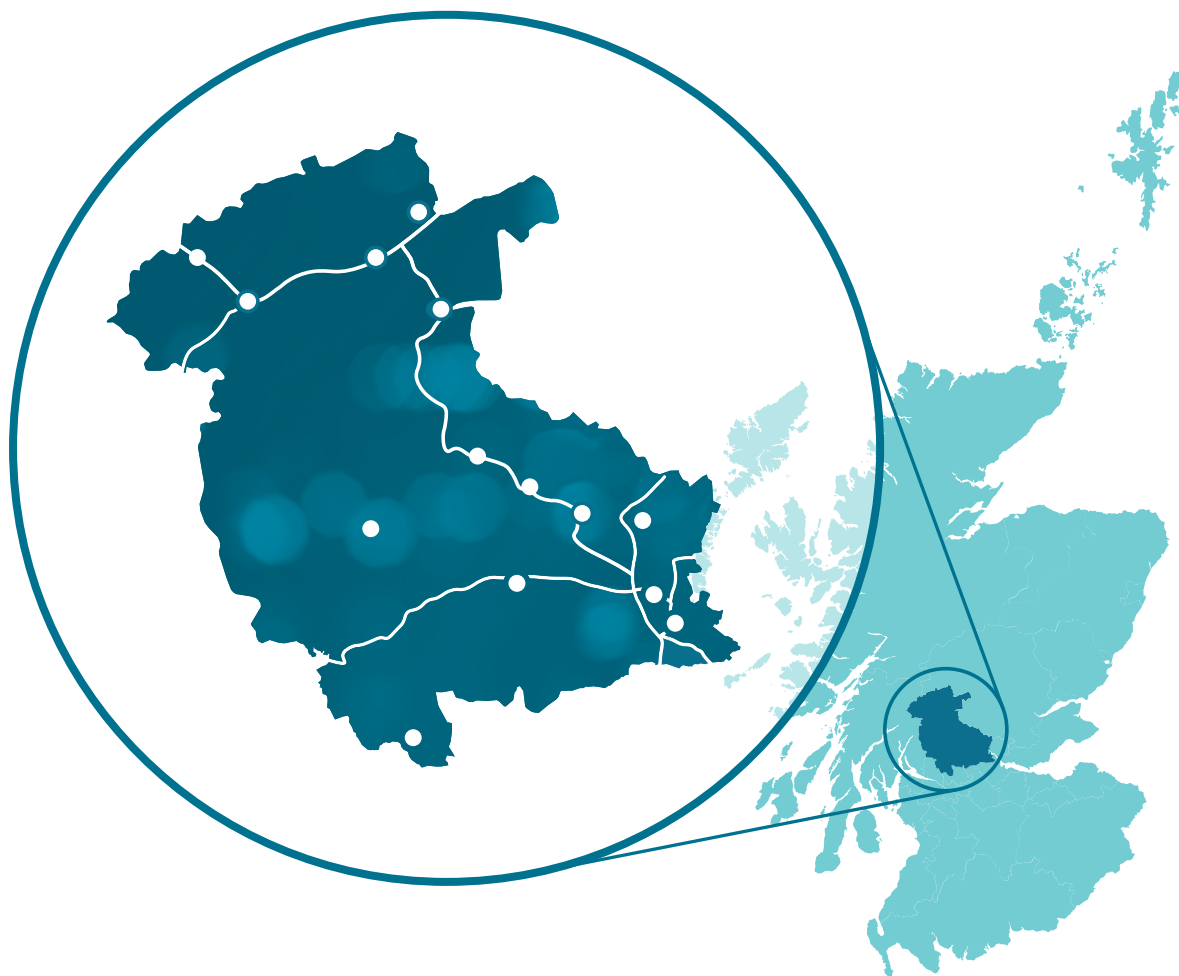


Best Value Assurance Report

Stirling Council



ACCOUNTS COMMISSION 

Prepared by Audit Scotland
April 2019


The Accounts Commission

The Accounts Commission is the public spending watchdog for local government. We hold councils in Scotland to account and help them improve. We operate impartially and independently of councils and of the Scottish Government, and we meet and report in public.

We expect councils to achieve the highest standards of governance and financial stewardship, and value for money in how they use their resources and provide their services.

Our work includes:

- securing and acting upon the external audit of Scotland's councils and various joint boards and committees
- assessing the performance of councils in relation to Best Value and community planning
- carrying out national performance audits to help councils improve their services
- requiring councils to publish information to help the public assess their performance.

You can find out more about the work of the Accounts Commission on our website: www.audit-scotland.gov.uk/about-us/accounts-commission 

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. We help the Auditor General for Scotland and the Accounts Commission check that organisations spending public money use it properly, efficiently and effectively.

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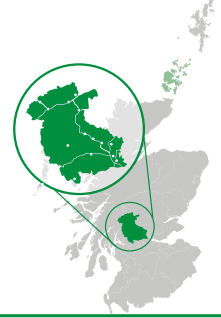


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Links

-  PDF download
 -  Web link
-

Key facts



Area



Population



Workforce
(number of full-time equivalent employees)



Councillors
9 Scottish National Party
8 Conservative and Unionist
4 Scottish Labour
1 Green
1 Independent



Council houses



2017/18
revenue budget



2017/18
capital budget



Budget gap
2019–24

Commission findings



- 1** The Commission accepts the Controller of Audit's report on Best Value in Stirling Council. We endorse the recommendations set out by the Controller of Audit in his report and expect the council to act upon them.
- 2** The Commission is pleased that the council's services largely perform well and are improving. We also welcome the clarity of the council's vision and recently refreshed five-year business plan. However, the council has not built sufficiently on the position reported in our Best Value audit in 2011 and needs to strengthen the alignment between its performance management and its strategic plans and priorities.
- 3** We acknowledge that successive changes to the council's senior management structures and personnel have not helped with progress. Stronger strategic oversight is needed to enable the council to increase the pace of improvement consistent with its Best Value obligations. With a new chief executive recently appointed, there is an opportunity for the council's management team to provide stability and renewed focus.
- 4** We commend the council's effective approach to budgeting, managing its finances and planning its workforce needs. The council must, however, put in place more structured processes for self-evaluation and performance management of its corporate priorities to help it identify how and where it needs to improve. It needs to report more clearly to elected members and the public on its performance against its priorities. More effective oversight and co-ordination of improvement activities is a responsibility that needs to be taken forward by both councillors and officers.
- 5** A programme of transformation that is clearly aligned with council and area priorities, and with the five-year financial plan, will help provide more confidence that the council is well placed to meet a cumulative funding gap of £32 million by 2023/24. Elected members will have a crucial role to play in leading such change, facilitated by more effective locality planning and involving citizens and communities.
- 6** We are pleased that the council has shown willingness and ambition to work with partners. We note the apparent complexities involved in delivering health and social care services with NHS Forth Valley and with Clackmannanshire Council through the Integration Joint Board (IJB). However, we encourage the council to show evidence of progress in working with the other members of the IJB to meet the strategic challenges of the partnership.
- 7** The council needs to increase its progress with community empowerment, and as a priority, meet its requirement to put in place locality plans for its most disadvantaged areas.
- 8** Given the need for a significant increase in the pace of improvement required, the Commission will maintain an interest in how the council moves forward. We ask the Controller of Audit to monitor this through the annual audit and keep the Commission informed 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 Stirling Council. The findings from the previous Best Value report on the council are summarised in [Exhibit 11](#) in [Part 5](#).

2. We are looking for councils to demonstrate Best Value by showing that they are continuously improving how they deliver on their priorities. The pace and depth of this improvement is key to how well councils deliver on their priorities in the future. Depth of improvement is about the extent to which services implement improvements across a council. In this report, we explain how we assessed Stirling Council's improvement over time and our conclusions are summarised in the [Key messages \(page 8\)](#).

3. 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 did some initial work to identify risks and council initiatives to build into the scope of our audit. This included reviewing previous audit and inspection reports and intelligence, reviewing key council documents, talking to senior officers and reflecting on our wider public-sector knowledge and experience.

4. The detailed audit work for this report was undertaken in October and November 2018. Our audit work included:

- interviewing elected members and senior officers
- holding focus groups with members of staff
- observing council and committee meetings
- reviewing documents and analysing data, including Local Government Benchmarking Framework (LGBF) data
- interviewing a sample of the council's partners such as Police Scotland, the Scottish Fire and Rescue Service, third sector organisations (ie, non-governmental and non-profits making organisations) and the business community.

Exhibit 1

Key areas of focus for our audit



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

Our findings on this are reported in [Part 1](#) of this report.



Managing performance, self-evaluation and measuring outcomes

This included an overall assessment of outcomes and performance and the council's reporting on these, including to the public. Our findings on this are reported in [Part 2](#) of this report.



Planning the use of resources

We assessed how effectively the council plans its use of resources, including asset management, financial planning and workforce planning. Our findings on this are reported in [Part 3](#) of this report.



Delivering services with partners

We assessed how the council delivers services with partners, including through consideration of the City Deal developed in collaboration with partners to drive economic and cultural improvements. We also considered how well services are developed in collaboration with others and how community engagement affects the council's activities and delivery of services. Our findings on this are reported in [Part 4](#) of this report.



Continuous improvement programmes

We reviewed the council's continuous improvement programmes, including by assessing the overall pace and depth of change. Our findings on this are reported in [Part 5](#) of this report.

Source: Audit Scotland

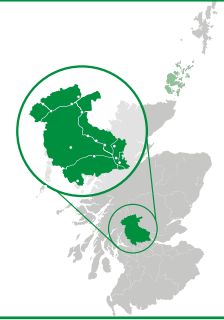
5. Our analysis of the LGBF data reflects the 2016/17 results published by the Improvement Service in April 2018. Following recent publication of a selection of the 2017/18 LGBF indicators we have:

- commented in the report where the level of performance has changed
- analysed performance on a family grouping basis
- assessed performance against service satisfaction indicators.

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

7. We appreciate the cooperation and assistance provided to the audit team by all elected members and officers contacted during the audit.

Key messages



- 1** Stirling Council has a clear strategic vision and there is currently a strong sense of collective purpose. National data shows the majority of council services perform above the Scottish average and are improving. However, the council cannot demonstrate that it is achieving all aspects of Best Value as its approach to self-evaluation and continuous improvement has been inconsistent. A more systematic approach is required.
- 2** Since the previous Best Value report in 2011, there has been a lack of effective officer and political leadership in focusing improvement against the council's priorities. Development of an effective performance management framework has been slow. While the council reports on its performance, it does not provide a clear summary of performance against all its priorities or key performance measures to councillors or the public. The council acknowledges this and plans to address this in 2019.
- 3** There have been several structural and personnel changes in recent years, including the resignation of the previous chief executive in August 2018. The number of changes in senior management over a short period of time has slowed the council's pace of improvement, it has been unsettling for some staff and has contributed to a loss of corporate memory. The current corporate management team (CMT) recognises this and is now operating more effectively. A period of stability is required for the leadership to deliver improvements.
- 4** The council demonstrates effective financial management and its robust budget process has approved £38 million savings over the last five years. The medium-term financial plan estimates a cumulative funding gap of £32 million for the five years to 2023/24. Innovative service reform through transformation programmes will be needed to achieve this and secure the sustainability of services.
- 5** The council has effective workforce planning arrangements, with a rolling five-year workforce plan that is linked to the council's budget and five-year business plan. This demonstrates the council's strategic workforce priorities and is monitored by the CMT.

- 6** There is evidence of community engagement influencing the way that services are delivered. But the council and its partners have been slow to progress elements of the Community Empowerment (Scotland) Act 2015, including the publication of locality plans. The council is now taking steps to learn from other councils how it can further improve the way it involves citizens.
 - 7** The council works well with a range of partners. This includes its City Region Deal partners to boost economic growth. The Community Planning Partnership has a shared plan but reporting structures need to be improved and performance against outcomes reported. The Integration Joint Board is unique in Scotland as it is the only one covering three statutory organisations (two councils and one health board) and its size and complexity makes decision-making challenging.
-

Part 1

Does the council have clear strategic direction?



Stirling Council has a clear strategic vision, linked to its service plans.

Stirling Council covers a large and geographically diverse area

8. Stirling Council covers a diverse range of communities, from densely populated urban areas to remote rural areas in the southern Highlands. It shares boundaries with seven other councils (Perth and Kinross, Clackmannanshire, Falkirk, North Lanarkshire, East Dunbartonshire, West Dunbartonshire, and Argyll and Bute). It is within an hour's drive of the population centres of Edinburgh and Glasgow.

9. In terms of area, it is the ninth largest council, spanning 2,187 square kilometres. In contrast, the population of the council area is 93,750, the ninth smallest in Scotland. Two-thirds of the population live in the City of Stirling, Dunblane and Bridge of Allan. The population is projected to increase by 7.7 per cent, to over 101,000, in the next 20 years. In particular, it is expected that:

- the number of people of pensionable age will rise by nearly a third (32 per cent), compared with a national average of 28 per cent
- there will be a six per cent increase in the number of people of working age, significantly higher than the Scottish average of one per cent
- the over-75 population will increase by 90 per cent, compared with a Scottish average of 85 per cent.

There are significant social and economic inequalities across the council area

10. While, in broad terms, the Stirling area is relatively affluent and prosperous, some areas are among the most socially and economically deprived in Scotland. For example:

- Life expectancy for men and women is close to the national average. However, there is a gap of around 13 years in life expectancy between the most deprived areas and the most affluent areas. Life expectancy for men in Dunblane East is 82 years, compared with 69 years for men living in Raploch.

- In the 2011 census, 28 per cent of people living in Raploch reported that their day-to-day activities were limited because of health factors, compared with 17 per cent in the council area as a whole.
- Communities within the Raploch and Cornton areas are in the top ten per cent most health deprived nationally, while areas in Dunblane and Bridge of Allan are among the least-deprived one per cent nationally.
- Just under 19 per cent of children living in Stirling were living in poverty in December 2015, compared with a Scottish average of 23 per cent. Across Stirling, this varies between less than one per cent of children living in low income families in Dunblane to 52 per cent in Raploch.
- The level of income deprivation in Stirling is below that of Scotland as a whole (9 per cent in Stirling compared with 12 per cent nationally) but, across Stirling, income deprivation ranges from 40 per cent in Raploch to 0 per cent in Dunblane and the Blane Valley.
- Almost one in five households do not have anyone in employment. The level of employment deprivation is less than the national average (eight per cent of the working age population compared with 11 per cent for Scotland as a whole). According to the Scottish Index of Multiple Deprivation, employment deprivation across Stirling ranges from 36 per cent in Raploch to zero per cent in Bridge of Allan.
- Job density has declined since the last recession (from 0.94 in 2007 to 0.82 in 2016). This means that there is fewer than one job for every Stirling resident. In addition, the business growth rate is below the national average.

The council has a well-defined vision which is aligned to its service plans and mapped to the community planning partnership plan

11. The Stirling Council Five-Year Business Plan lays out the council's vision, 'to be bold, ambitious and community-led, delivering quality services that are centred on the citizen, tailored to the different needs of our communities' and recognises the social and economic inequalities that exist in the council's area.

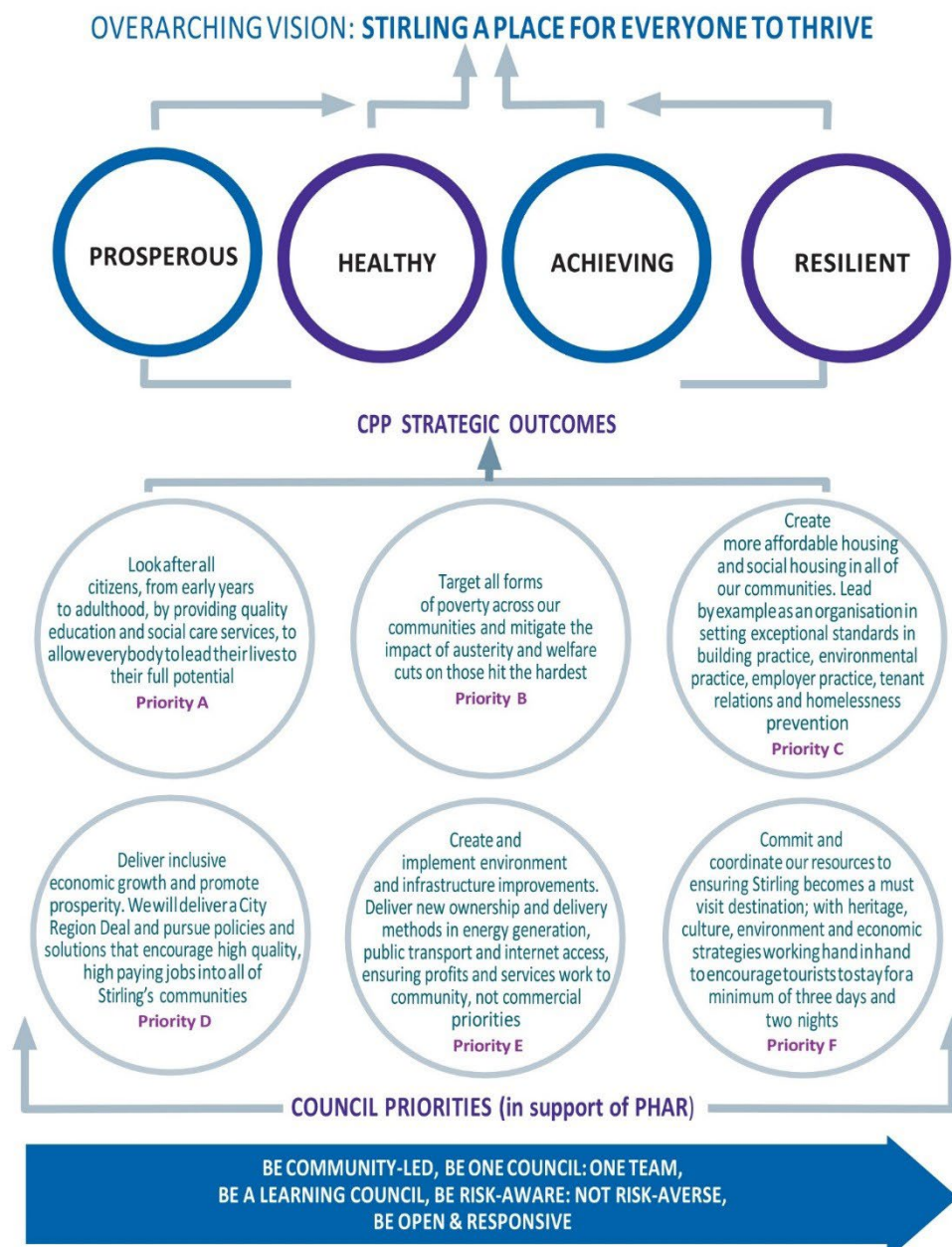
12. Stirling Council plays a leading role in the Stirling Community Planning Partnership (the CPP). The CPP's ten-year Local Outcomes Improvement Plan (LOIP) ('the Stirling Plan') was approved in 2018. The LOIP describes the overarching vision for the next ten years for the Stirling area to be '*somewhere everyone can thrive*'. It identifies four outcomes, which are the priorities for the council and its partners:

- **Prosperous Stirling** – people are part of a prosperous economy that promotes inclusive growth opportunities across our communities.
- **Healthy Stirling** – people are healthy and live active, full and positive lives within supportive communities.
- **Achieving Stirling** – people are skilled and supported to make a positive contribution to our communities.
- **Resilient Stirling** – people are part of safe and caring communities within an attractive and sustainable environment.

The alignment between the LOIP and the council's business plan has been strengthened in the council's most recent five-year business plan to 2024. The council has aligned the four partnership outcomes with the six priorities of the council in the business plan ([Exhibit 2](#)). The objectives in the council's business plan are linked to service plans.

Exhibit 2

How the council priorities are aligned to and support the Stirling Community Planning Partnership strategic outcomes



Note: PHAR is the abbreviation of the CPP's outcomes – Prosperous, Healthy, Achieving, Resilient
Source: Stirling Council

13. The council developed a revised approach to service planning during 2018/19. The key aim was to produce a set of guiding principles and a service plan template to ensure clearer linkages between the service and the five-year business plan and the Stirling Plan. The new guidance sets out that service plans will be reviewed and refreshed annually and approved by the CMT and councillors. Senior managers are accountable for the delivery of the service plan and progress is monitored and reported six monthly to the CMT.

The council has responded to feedback from the community in developing how services are delivered

14. The council and its community planning partners held a number of engagement sessions to gather information to inform the Stirling Plan and ensure that the priorities reflect local needs. Several methods of participation and engagement were used including an online survey, face-to-face engagement events for communities, staff and partners, and a CPP leadership workshop.

15. The council, as part of the annual five-year business plan refresh, also carries out engagement with the public when setting the annual budget and considering proposed savings options. This process and ongoing improvements to it are reported further at [Part 3 \(paragraphs 51–53\)](#). Examples where public consultation have influenced what the council does include:

- Proposals to reduce funding for the Big Noise and Smith Art Gallery were discussed at a series of public meetings and direct engagement with both of these organisations. Communities stressed the value of both projects. They emphasised that, in particular, the loss of the Big Noise could lead to an increase in spending as it is aimed at reducing social inequality. As a result, both options were significantly amended and the council is working with both organisations to explore other funding sources.
- There was public engagement on the proposal to close Fintry Nursery due to a low number of pupils. The community highlighted the importance of the nursery, from both an education viewpoint and a community cohesion viewpoint. The community viewed the nursery as attracting inward housing growth and the council agreed that this proposal was not in the long-term interests of the community.

The council and its partners have been slow to progress elements of the Community Empowerment (Scotland) Act 2015

16. The Community Empowerment (Scotland) Act 2015 gives people more influence over how their council and its partners plan services. The council has been slow to progress the locality planning aspects of the Act to support citizens to shape local services. The Act also requires that CPPs identify areas within council areas that have the poorest outcomes and publish 'locality plans' to improve outcomes for these communities. Statutory guidance required locality plans to be published by 1 October 2017.

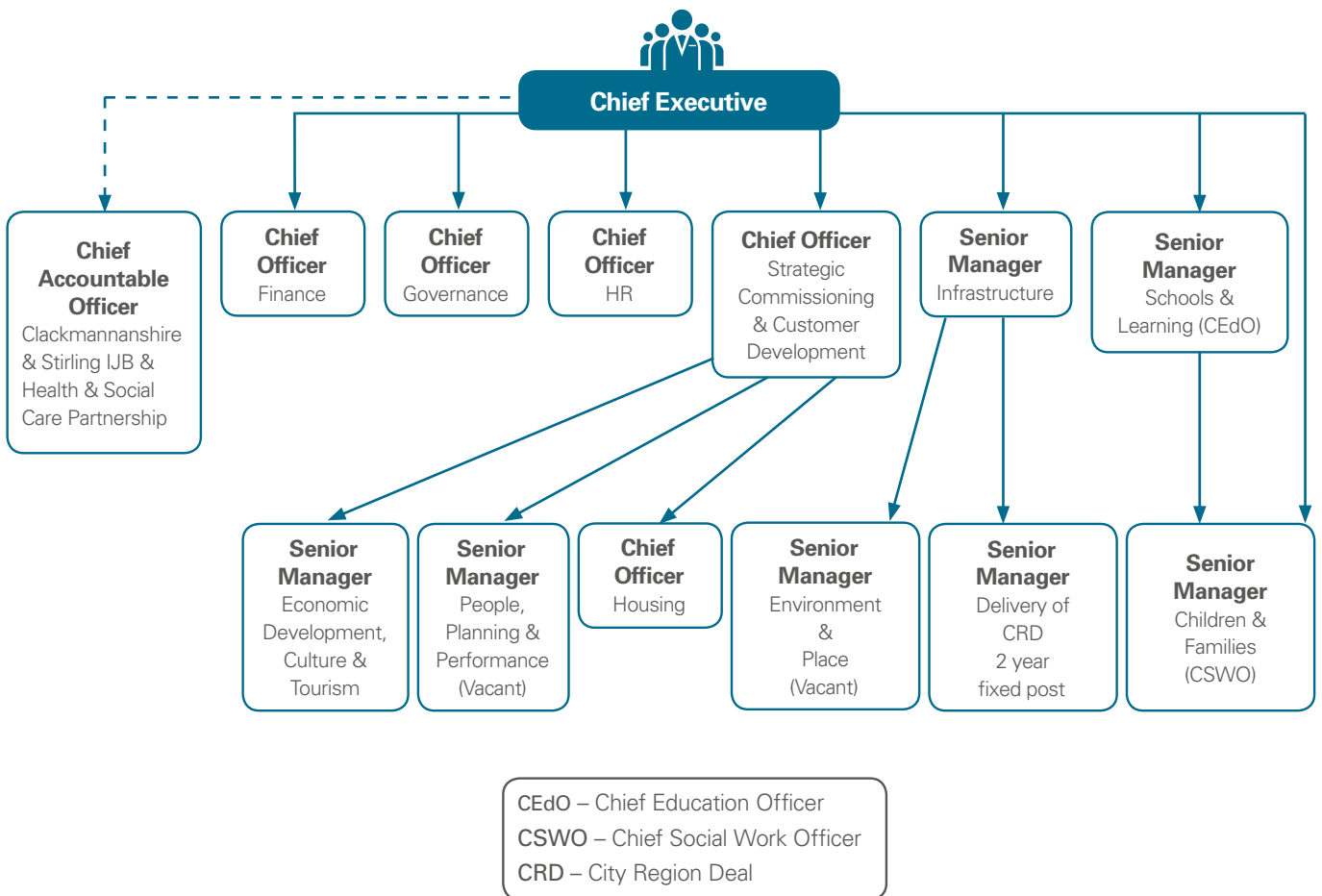
17. The council and its partners have only published one (Raploch) of the four locality plans required by the Act. The council is reviewing its approach to developing the remaining plans to ensure that there is a more collective approach,

thus ensuring that communities have more ownership of the process. As a result, there is currently no timeline in place for the completion of the remaining locality plans.

Changes to the organisational structure have slowed the council's pace of improvement

18. There have been several management restructures in the last five years. The first, in 2014, reduced the number of service managers and resulted in a re-design of services. In May 2016, the council was restructured into two service areas to align resources with the council's key priorities and requirements. Further structural changes were made in 2017 to address the impact of the break-up of Stirling Council and Clackmannanshire Council's shared education and social work services arrangement. Since then, there have been further changes to reflect both individual departures and organisational restructuring. In August 2018, the previous chief executive resigned after four years in post. The current corporate management team (CMT) is shown at [Exhibit 3](#).

Exhibit 3
Stirling Council's corporate management team, March 2019



Source: Stirling Council

19. These changes have been disruptive and unsettling for some staff, have caused a loss of corporate memory and have slowed the council's overall pace of improvement. A period of stability is now needed. The interim chief executive for the six-month period from September 2018 was permanently appointed in March 2019.

20. The most recent changes in the CMT have resulted in a shift in corporate culture. The CMT feel its team is more cohesive than in the past. The chief executive has set out to be more visible and accessible to staff. For example, she regularly meets with small groups of staff to hear their views in informal sessions. Early indications are that the current CMT are aware of the areas that need to improve to demonstrate Best Value across the council ([Part 5](#)).


There are sound governance structures in place and councillors and officers work well together. However, there has been a lack of effective officer and political leadership in focusing improvement against the council's priorities

21. The duty of Best Value rests with both political and management leadership. Since the previous Best Value report in 2011, there has been a lack of effective officer and political leadership in focusing improvement against the council's priorities.

22. More recently, the council has demonstrated a strong sense of collective purpose among councillors and senior officers in terms of achieving its priorities and objectives. There are constructive and positive working relationships both among councillors and between councillors and senior officers.

23. The council has a committee structure in place which is supported by clear roles for members and officers, and procedural documentation for decision-making. The council's decision-making and delegation arrangements, and its committee structure, are regularly reviewed and updated. Councillors provide effective scrutiny and challenge across all service committees. The council's Audit Committee comprises six elected members and is well attended by relevant officers. The role of convener is undertaken by the leader of the opposition party.

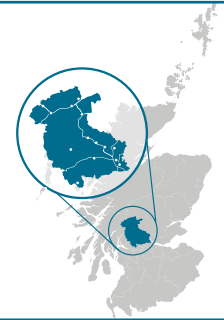
Councillors have a responsibility to take advantage of the training opportunities provided

24. It has been nearly two years since the 2017 local government elections, which saw 12 newly elected councillors. Members should review their personal training and development needs to ensure they have the skills required to effectively fulfil their roles. They should consider the 2016 report [How councils work: Role and responsibilities in councils – Are you still getting it right?](#)  which stresses the importance of training and development to support councillors with the skills and tools required to carry out their complex and evolving roles.

25. There is an extensive training and development programme for councillors in place, but uptake has been variable. Members have a responsibility to take advantage of the training opportunities available. Officers now need to work with members to understand reasons for low attendance at some training courses and agree on actions to improve attendance. Members should work with officers to review their personal training and development needs and agree a plan to ensure they have the skills required to effectively fulfil their scrutiny and challenge roles, including their duty to scrutinise the council's Best Value arrangements.

Part 2

How well is the council performing?



The council does not clearly report performance against its priorities. National performance data shows that services are performing well. However, user satisfaction is below the Scottish average for some services and the council needs to address this.

The 2011 Best Value report said that the council needs to improve the way it monitors and reports progress against its priorities. Insufficient progress has been made since then and fresh impetus is required

26. Historically, planning and performance monitoring has been undertaken at service level and not focused on the council's priorities. In August 2017, the Portfolio Management Office and Data Team was established to provide a single, central structure for managing, coordinating and prioritising resources across a large number of different projects and programmes. This did not include using performance data on a corporate level to drive improvements.

27. In October 2018, the Portfolio Management Office and Data Team was reformed into the Planning and Performance Team as part of a corporate restructure. This team reports to the CMT and the Performance Board. This now aims to provide a greater corporate overview of performance. The Senior Manager for People, Planning & Performance left in March 2019. Clear leadership in this area is necessary to ensure that the ongoing development of the council's performance management arrangements is sustained. The council is also revising its performance management framework, and this is reported further in [Part 5](#). This includes developing refreshed corporate, senior manager and service scorecards that link to outcomes in the Stirling Plan.

28. The council's committees receive regular performance reports throughout the year. These monitor progress against the council's service objectives based on performance scorecards. These reports were updated in October 2018 to reflect the council's six priorities. However, they still do not show a clear summary of the council's performance against priorities.

29. Currently, there are almost 600 indicators within the council's performance management system, of which 174 are reported at service level to the decision-making committees. Additional indicators are in development at corporate level. The council must identify which of these are key to enable it to demonstrate and drive improvements in its priority services.

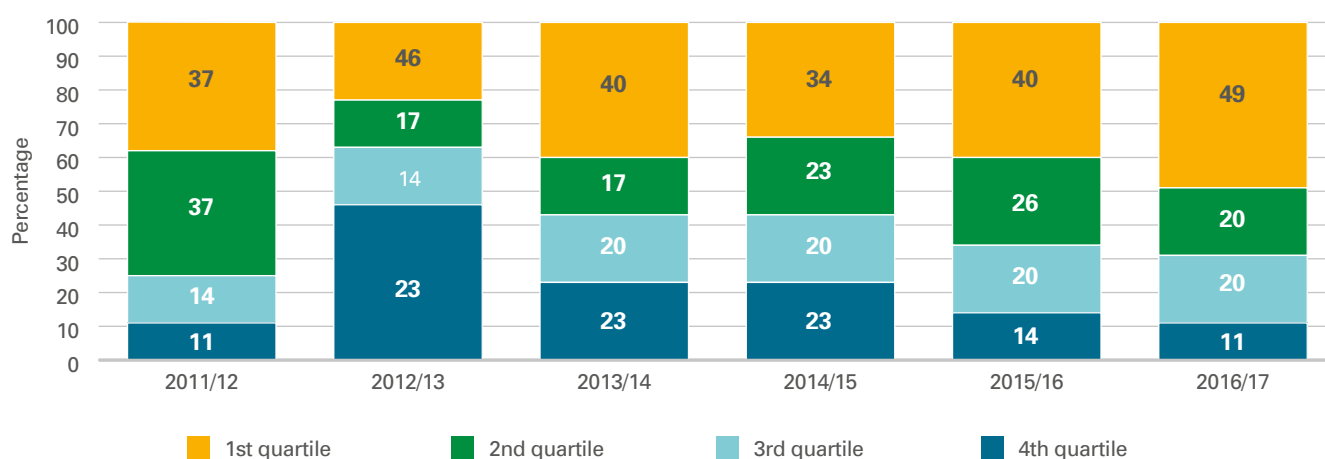
National indicators show performance is good in many services

30. The Local Government Benchmarking Framework (LGBF) brings together a wide range of information about how all Scottish councils perform in delivering services and stakeholder satisfaction. Our analysis of the LGBF data shows that the council performed well across the majority of service areas over the period 2011–17. Although there are over 70 performance indicators, the analysis at [Exhibit 4](#) is based on 35, single-year, mainly outcomes-based indicators which have been reported through the LGBF every year during the seven-year period.

31. Of the indicators included in the analysis, the proportion in the top two quartiles in the past seven years to 2016/17 have remained high, between 57 and 74 per cent. Recently, data for a number of these indicators has been published for 2017/18 which shows a decrease in the proportion of indicators in the top two quartiles.

Exhibit 4

Stirling Council LGBF relative performance 2011/12 to 2016/17



Note: 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 with all other 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 contains the poorest-performing councils. The above data is based on 35 indicators which have been reported every year in the LGBF since 2011/12. Percentage figures will not always come to 100 per cent due to rounding

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


The council could make better use of benchmarking to deliver improvement




32. The council reports annually on the LGBF indicators to both the Finance & Economy Committee and the Audit Committee covering its performance over a four-year period ([Exhibit 5, page 18](#)). The results of this analysis are consistent with our analysis above.

33. The Accounts Commission requires all councils to report on performance using LGBF data. It is not clear how the LGBF has been used to systematically identify areas for improvement. The council recognises this and plans to analyse the 2017/18

Exhibit 5

Stirling Council analysis of 2013/14 to 2016/17 LGBF results

	Long-term performance in Stirling Council 2013/14 – 2016/17	Number of indicators
	Improving performance	42 (55%)
	Declining performance	33 (43%)
	No change in performance	1 (1%)

	Stirling Council performance compared to Scottish average (2016/17)	Number of indicators
	Better than Scottish average	44 (58%)
	Worse than Scottish average	28 (37%)
	Same as Scottish average	1 (1%)
	N/A Info not available*	3 (4%)

Note: This analysis is based on all 76 indicators reported through the LGBF. *There are three indicators where the data was not available for 2016/17.

Source: Audit Scotland and Stirling Council

LGBF data and use the results to identify its performance in relation to priority indicators and assess where needs to improve or maintain its current position.

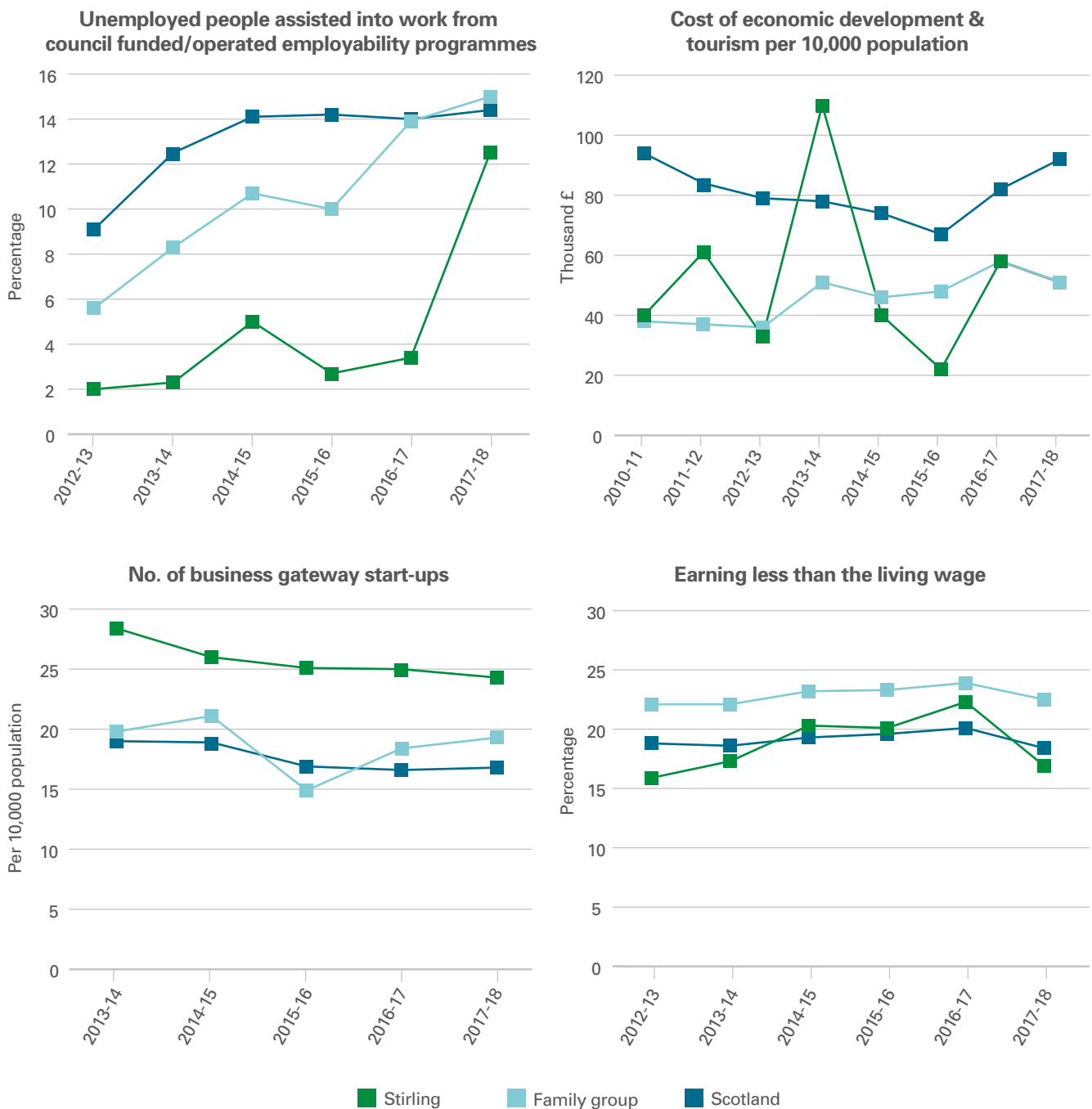
34. Areas that are underperforming according to the council's analysis are cost of waste services (net cost of waste collection was ranked 32 in 2016/17) and the percentage of all roads that require maintenance. The council is addressing the persistent low performance in the waste management service and has engaged with staff to identify reasons for this. Issues highlighted include poor communication with front-line staff, problems with redesigned collection routes, poor-quality personal protection equipment and depot cleaning not being arranged around the seven-day service that was recently introduced.

35. The council formed a waste task group in May 2018 to address these problems and to find solutions to issues raised by staff. The council introduced bespoke technology to better support route planning, and to help increase staff engagement. Overall, collection rates improved from 91 per cent in June 2018 to 97 per cent in December 2018.

36. As part of the LGBF, councils with similar demographics have been grouped into family groups so they can share good practice and work together to improve services. Stirling Council has not considered any analysis of family group data.

We have analysed LGBF family group data for one of the council’s priorities – delivering inclusive economic growth and promoting prosperity at **Exhibit 6**. Council performance relative to other councils in the relevant family group in this area is a mixed picture. The council could make more use of this comparative data to help with its improvement.

Exhibit 6 LGBF family group analysis: economic growth



Source: Improvement Service and Audit Scotland 2017/18. Stirling Council is in a family group with Perth & Kinross, East Lothian, Moray, Fife, South Ayrshire, East Ayrshire and North Ayrshire Councils for their corporate, culture and leisure, environmental and economic indicators.

Public performance reporting needs to improve to show progress against the council's priorities

37. It is important that councils clearly report their performance to local citizens and the community. Good performance reporting which councils should include in their performance reports to the public includes:

- clearly stating how performance and spend are linked to the council's priorities
- local indicators which demonstrate quality of service
- public satisfaction levels
- an overall assessment of the council's performance against outcomes.

38. The Annual Public Performance Report is available on the council's website. The performance reported is linked to council priority areas. However, many of the measures highlighted in the council's five-year business plan are not included in the performance report. The council has recognised that this is an area for improvement and is planning to address this.

39. From 2019, the five-year business plan provides additional information on the key measures used to demonstrate progress against strategic priorities. This includes progress since 2015/16 and the overall trend. It does not yet incorporate targets.

40. There are links on the council website to up-to-date performance indicators in the performance management system. But these indicators are not currently linked to council priorities. The priorities are currently reported through the relevant service committees. These details can be accessed by the public through the council's website, but this is not easy to do. It is not clear what the main council priorities are and how the council has performed across these priorities over time. The council is reviewing how to improve its reporting in this area.

41. LGBF indicators relating to public satisfaction can also be accessed on the council's website, but this and the annual public performance report need to put this data into better context to enable citizens to gauge how the council has performed in relation to its key priorities over time.

Service satisfaction exceeds the Scottish average in over half the indicators, but others perform less well

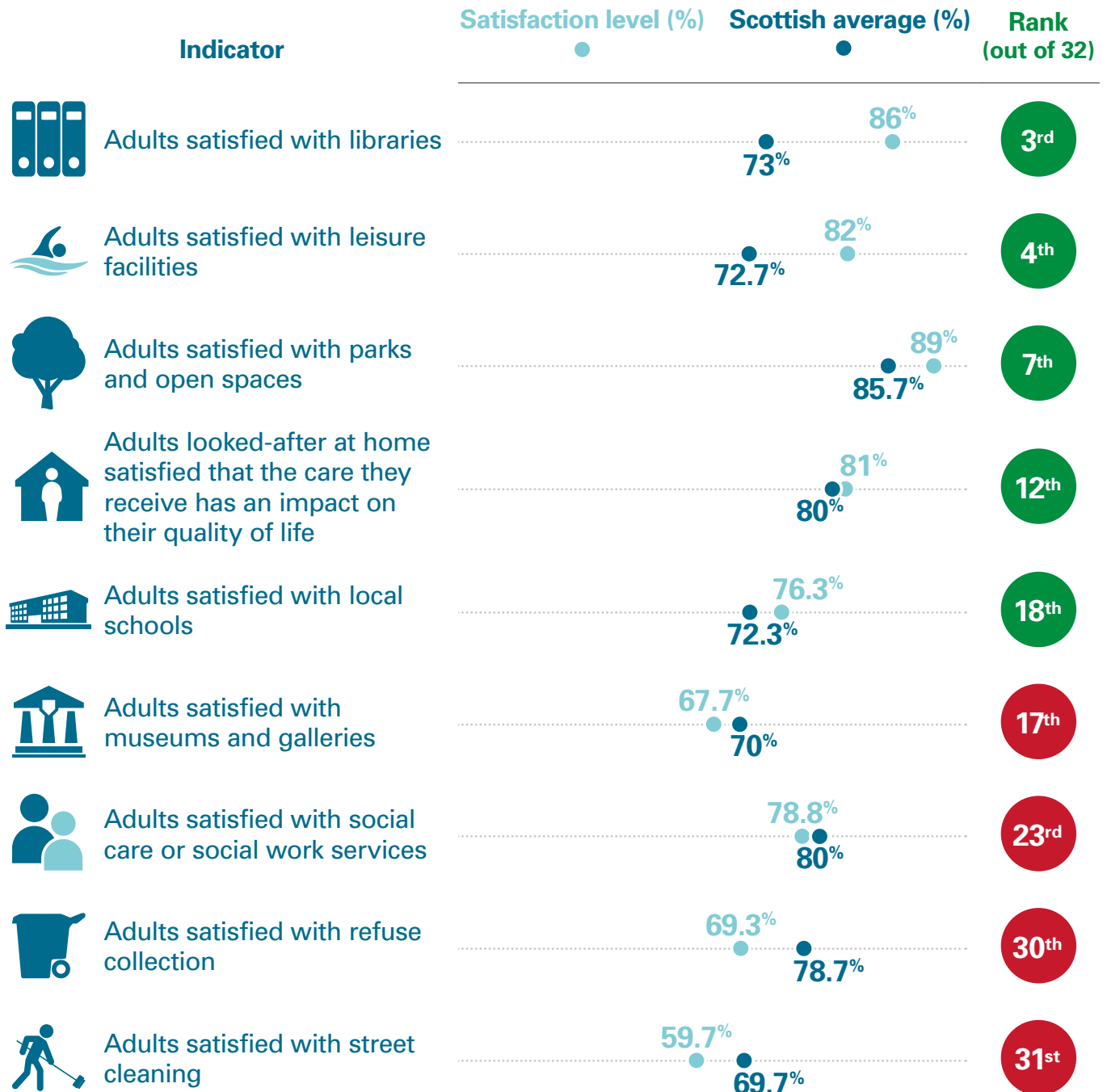
42. The 2011 Best Value report concluded that satisfaction with council services is good and improving. The council cannot demonstrate that this is still the case as it has not conducted a residents' survey for seven years and it has not used national data to assess service satisfaction.

43. The LGBF includes indicators to assess customer satisfaction with council services. These are based on results from national surveys. Our analysis of LGBF service satisfaction indicators shows that the council performs above the national average in five of the nine indicators and below average in the other four ([Exhibit 7, page 21](#)). Satisfaction is particularly low in refuse collection and street cleaning. Earlier in [Part 2](#) at [paragraph 35](#) we discussed the changes being made to waste management services, which it is hoped will improve satisfaction. The

council should now consider the reasons for the results in other services and use these to identify improvement actions.

Exhibit 7

Stirling Council's performance against service satisfaction LGBF indicators in 2017/18



Source: Improvement Service and Audit Scotland

44. The council is currently reviewing its approach to assessing user satisfaction. It adopted a 'big conversation' approach in 2018 to get residents' views on its plans and priorities. This included an online public survey, a social media campaign, community discussion sessions and conversations with the third sector. There was also an online staff survey, and a number of round-table discussions with both management and operational staff. The 808 suggestions from the public were categorised initially into 460 ideas and then into 276 options, of which 135 have progressed and the remainder have been rejected.

Part 3

Is the council using its resources effectively?



The council demonstrates effective financial management and its budget process has achieved savings over a long period. The medium-term financial plan shows a cumulative funding gap of £32 million for the five years to 2023/24 and innovative service reform will be needed to achieve this. The plan is linked to the council's workforce strategy which identifies future staffing needs and training requirements.

The council's financial management is effective, and the council's approach to budgeting provides a good basis for financial planning

45. Scrutiny of financial performance is delegated to the Finance & Economy Committee (FEC), which receives regular revenue and capital monitoring reports. All changes in forecast outturn are reported to the CMT and to the FEC during the year. The financial information periodically reported, including reasons for any significant variances, is consistent with the information reported in the audited accounts. Overall, from our review of these reports and attendance at committee meetings we concluded that the revenue and capital monitoring reports provide an effective overall picture of the budget position at service level and support both members and officers in carrying out effective scrutiny of the council's financial position.






46. The council has a good track record of delivering services within budget over the last few years. The general fund surplus in 2017/18 of £5.8 million included a surplus of £4.2 million relating to the earmarked element of the general fund for spending in future years. This is being held for a variety of purposes, including for activities to be directed towards achieving transformational change.

47. The council's approach to budgeting, which officers refer to as Priority Based Budgeting (PBB), has served it well over the last five years and has identified savings options. All service managers have received budget-setting training. This includes them being made aware of the criteria for savings options and what they need to measure this against, together with the quality of information they must provide. Each savings option needs to demonstrate how it will impact service priorities and risks, and a quality impact assessment is prepared for each option. Prior to presenting this information on savings options to elected members, they are discussed at service and corporate round table meetings where they can be challenged and modified.

48. This has led to the identification of options for reducing budgets to match the funding available, and to drive service improvements. Budget savings of £38 million have already been approved through budget-setting phases 1 to 5 (known as PBB1-5) since 2014/15, as summarised in [Exhibit 8](#).

Exhibit 8

Priority Based Budgeting saving targets

PBB phase year	£ million									
	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	Total
 2014/15	3.6	3.4	2.1	1.2	0.6					10.9
 2015/16		0.2	0.4	0.4	0.2	0.1				1.3
 2016/17			6.5	4.8	3.9	4.4	3.4			23.0
 2017/18				0.5	(0.1)	-	-	-		0.4
 2018/19					0.9	0.8	0.4	0.1	0.3	2.5
In-year	3.6	3.6	9.0	6.9	5.5	5.3	3.8	0.1	0.3	38.1
Cumulative	3.6	7.2	16.2	23.1	28.6	33.9	37.7	37.8	38.1	-

Source: Stirling Council

49. The approved options from each year are monitored and reported to the Performance Board, the CMT and the FEC. The Performance Board meets monthly and reviews detailed progress reports from council service areas. Summarised progress reports are presented to the CMT and FEC. The approved options generated by the budget-setting process and the five-year outlook are updated each year as part of the annual budget-setting process.

50. The council has reduced costs across various areas in recent years. In achieving these budget reductions, alternative ways of working have been implemented, including the better use of technology, the pooling of administration resources, and the identification and elimination of areas of duplication. Additional support and training has also been provided. Examples include:

- **Reductions in management/supervision capacity:** this has saved £3.4 million with a reduction of 85 posts. These reductions were primarily aimed at reducing costs. Smaller scale, targeted changes to the way services are delivered also led to financial benefits. To date, reductions in management and supervision capacity have been achieved without any significant service implications. It will become more difficult to achieve further reductions as capacity becomes stretched.

- **Review of facilities management (FM):** the council previously operated a number of FM operations that operated independently of each other and, consequently, there was a degree of overlap in FM functions. Following a review, these are now managed as a single operation, resulting in savings of £0.5 million since 2016. The savings are mainly a result of reductions in management and supervision capacity, but also reductions at operational staff levels through the more efficient deployment of resources.
- **Commercial Excellence Programme:** investment was made to improve the procurement practice of the procurement team. This has resulted in improvements in legal and contract compliance. It has also generated savings of £1.5 million through tighter contract specification, improved supplier management, the elimination of off-contract spending and working more closely with services. Further savings are anticipated in future financial years.

51. The council's approach to budgeting is in the process of being reviewed and updated. It is expected that the existing mechanisms will remain in place, but with an increased focus on public consultation and option appraisal. The council recognises the need to have broader discussions with communities. Previously, PBB was used to identify a list of cost reduction options, which were outlined to senior staff and community councils for comment. In addition, residents were invited to a series of 'Community Conversations' in the January and February immediately before the budget approval. An online survey based on the cost reduction options was also carried out. Feedback from all of these consultations has been analysed and it highlights, among other things, that the consultation process could have been carried out earlier and that some options were difficult to understand, as insufficient financial and performance information meant that the proposals could not be considered in the correct context.

52. Efforts to promote community engagement with the development of the 2019/20 budget started earlier than in previous years, and have been expanded to ensure that a broader range of community groups are included. This included more focused meetings with disability groups, mother and toddler groups, care home residents and libraries, and using other means to engage with communities.

53. The online response to 'the Big Conversation' survey carried out towards the end of 2018 has been positive, with over 1,100 responses from residents and staff generating over 800 suggestions. This was used to gather public opinion on where income could be increased and where costs should be reduced.

54. The council's approach to budgeting has provided a good foundation for aligning the council's funding with its business plan objectives. These objectives have underpinned the council's activities and how it allocates funds. The key mechanisms should continue to be in place following the planned review and update.

The council has projected a funding gap of £32 million over the next five years

55. The council's rolling five-year business plan sets out how services will be delivered in line with the council's key priorities and outline the anticipated financial position over this period. It is reviewed each year and is updated

to reflect a more detailed understanding of the cost pressures, planning assumptions and Scottish Government settlement figures. There are clear links between PBB and the council's business plan.

56. Projected reductions in funding from the government, combined with increased demand for financial services, means that efficiency savings are an important means of bridging the gap between funding received and spending commitments.

57. When setting the 2018/19 budget in February 2018, the cumulative budget gap over the five-year period to 2022/23 was £20.5 million. Since then, revisions to assumptions regarding grant income and payroll costs and social care growth have resulted in the budget gap increasing to £24 million over the five-year period. The five-year budget gap to 2023/24 increased to £32 million when the 2019/20 budget was set in February 2019. Members are kept informed of budget gap updates throughout the year.

58. The council has achieved cumulative savings for the period to 2017/18 of £23 million, over the first four years of PBB; the savings target for this period was £23.1 million (99.6 per cent). This level of savings is important for ensuring that the council continues to meet the savings targets it has set for the period to 2022/23 and thereafter.

59. Reducing services or posts while, at the same time, ensuring that service delivery continues, is a difficult balancing act. The council considers that this has been achieved thus far without any significant service implications. The council now feels that management and supervisory capacity is stretched, and the ability to take forward new initiatives needs to be planned very carefully to ensure that core service delivery can be maintained and/or any desired improvements attained. Any further significant reduction in management and supervision capacity in future will be much more difficult to achieve.

The council has recently set out a long-term financial outlook

60. The council recently set out a longer-term update for the ten-year period to 2028/29. This considers a range of issues that currently affect the financial strategy or that may affect it in future. Although many of the assumptions cannot be made with any degree of certainty, this provides the council with a sense of how each of the assumptions might change in future, and how, collectively, they will form a picture of what the longer-term financial outlook may be.

61. The Scottish Government's medium-term financial strategy together with recent papers by the Scottish Fiscal Commission have been used to help predict future grant settlements. Other key forecasting information used in the long-term financial outlook include the National Records for Scotland (NRS) projections of Scottish household numbers and distribution across Scotland. Assumptions around other key factors such as local taxation, pay awards and energy costs have also been factored in. Cumulatively, using the median scenario, this projects a cumulative budget gap of £57.7 million to 2028/29.

62. The council's adult services budget has overspent in recent years. The long-term financial outlook highlights that funding for social care services will be the most challenging issue in the coming years, and will require central government, councils and the health board to work together. NRS projections show that Stirling

Council is not in the group of councils that face the highest rates of ageing in their populations. Nevertheless, increases in the number of elderly people are still expected to be significant in the Stirling Council area, with a projected 18 per cent increase in households aged over 75 between 2016 and 2023, rising to a 75 per cent increase by 2041. These figures are marginally higher than the Scottish averages.

63. The council, in partnership with the Clackmannanshire and Stirling Health and Social Care Partnership's transforming care programme, will need to meet the changing needs of the population and help lessen the financial impact in the short term. Examples of work taking place to do this include greater use of Just Checking monitoring equipment to help people continue to live at home, the development of the Stirling Health and Care Village (further details are given in [Part 4](#) of this report) and working with the local community in Balfron to develop an integrated model of neighbourhood care.

The council has an adequate level of reserves to respond to unexpected events

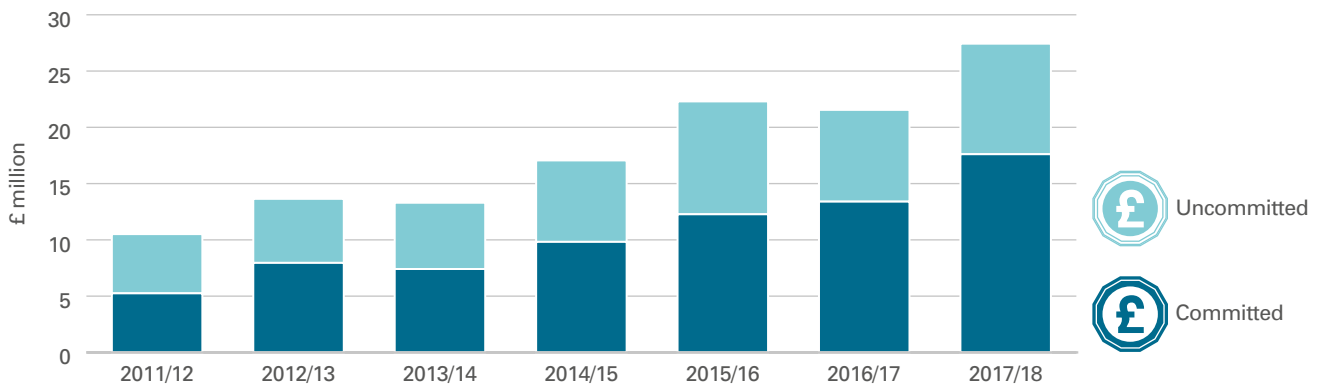
64. Exhibit 9 (page 28) provides an analysis of the general fund over the last five years, split between committed and uncommitted reserves. There has been a considerable increase in recent years in both the committed and uncommitted elements. The overall balance at 31 March 2018 was £27.6 million. The council considers that financial uncertainty around local government funding makes it important for the council to hold a sufficient level of reserves to help deal with the implementation of change that will be needed to achieve balanced budgets, and to enable the costs of change to be met.

65. Committed elements of the general fund increased over the period, to £17.6 million at 31 March 2018. This includes funds for a number of corporate initiatives, including a risk fund, which held a combined balance of £8.8 million at the year-end, an increase of £1.9 million from the previous year. This is in line with the PBB strategy, and the council intends to use this to finance transformation costs. This includes any severance costs that may arise, such as the £4.2 million that was used in 2016/17 to support transformation change and contributed to the decrease in reserves in that financial year.

66. The council's total usable reserves as a proportion of annual expenditure (of which the general fund balance is the most significant usable reserve) is around the median compared with other Scottish councils.

Exhibit 9

Analysis of Stirling Council's general fund since 2011



Source: Stirling Council annual accounts

The council's five-year workforce plan is linked to the five-year business plan and budget-setting approach

67. Prior to 2015/16, the council had internal documents in place to support workforce planning. Since then, a rolling five-year strategic workforce plan has been prepared and approved annually. The workforce plan:

- demonstrates how the strategic workforce priorities link to the council's priorities
- demonstrates what the future workforce will look like
- provides an analysis of future workforce needs
- identifies the principal areas for which the future workforce will be required, together with skills, capacity gaps and training requirements.

68. The workforce plan contains an action plan, which is reported to the CMT monthly. This includes actions aimed at reducing the workforce on the basis of options identified through PBB agreed in the current year and prior years, together with actions relating to areas for workforce expansion. Each service has a workforce plan with actions, responsibilities and timescales for completion. These plans are used to highlight what training is required and where it is most needed. From 2018/19, service workforce plans will also incorporate actions to address the findings from the recent staff survey.

69. Workforce planning has improved since the combined HR and payroll system was introduced in 2016. This provides better management information in relation to council employees, for instance where they are employed and what support and training they require.

70. The restructuring of services, as outlined in [Part 1, paragraph 18](#), have generated annual savings of around £3.4 million.

71. Consultation with staff has been sporadic and levels of engagement vary. There were no staff surveys from 2008 until the one recently completed in 2018. The findings of the recent survey are being used by the CMT to address the issues raised.

72. Staff engagement and views are sought through initiatives such as the 'big huddle'. This has been in place since 2014 and has been effective. It continues to be valued by staff and is well attended, with the frequency of events increasing from two to three per year. These focus on areas such as entrepreneurship, resilience, and health and wellbeing. Other forms of engagement include recently introduced regular meetings between the chief executive and staff from all services to share comments and ideas. There are also quarterly meetings between management, members and trade union representatives to enable staff concerns to be raised, including the impact of changes in structure.

73. The council's sickness absence has been in the best performing quartile for Scotland for most years since 2011/12. This deteriorated slightly in 2017/18, but remains in the top quartile.

74. The council has taken steps to ensure its workforce are being fairly treated. The council achieved Living Wage accreditation in 2015. A consolidated hourly rate has been implemented and paid to staff since 2015. The council was an early adopter of this approach and paid the Rowntree Foundation living wage six months before the national pay award.

75. The council completed work on job evaluation in 2009 and all residual equal pay claims were settled in 2016. Compensation agreements were reached for 493 claims at a cost of £9.4 million. The council also addressed holiday pay for overtime for non-permanent contractors when this issue first arose in 2015. As a result, there are no known outstanding claims against the council in either of these areas.

The council recognises that effective asset management is key to delivering its priorities

76. A Property Asset Management Plan was in place covering the period 2014 to 2019, however it was not closely linked to key priorities. Since then, the council has developed a more strategic approach to effectively managing its assets and this can be seen in its Property Asset Management Strategy and Delivery Plan 2018 to 2028. This is linked to the council's key priorities through mapping property needs to support services in delivering the five-year business plan.

77. The council demonstrates an increased level of knowledge and awareness of its asset base and is currently undertaking a number of localised property rationalisation projects. This involves working in partnership with other bodies to increase the efficiency of asset management, through sharing space and reducing running costs. The Property Asset Management Strategy involves the implementation of a corporate landlord model for the day-to-day running of council property, as well as the development of a Single Public Estate to bring services and partners together to co-locate and share space. A target to reduce the collective operational floor print by 30 per cent over the period of the strategy has been set. The strategy is intended to deliver savings of £1.6 million over the first five years. An annual governance report will be submitted to the FEC detailing progress.

78. The council's monitoring of the capital programme has improved over the past two years. Reports presented to members are clear and concise, with information presented in both graphic and tabular forms. Additional training and discussion sessions are offered to members to improve ongoing scrutiny. Although general fund capital slippage has been recorded in previous years this is not significant. Reasons for slippage are fully explained, are due largely to profiling and most capital projects have been completed within the overall planned timeframe. Housing Revenue Account (HRA) fund capital expenditure is generally at, or around, budget levels. A capital delivery group is now in place to drive improvement in this area. Overall slippage over the last five years has ranged from zero per cent in 2013/14 to 11 per cent in 2014/15.

79. The council's capital programme has included investment in projects linked closely to the City Region Deal. These include the development of the Digital District and the regeneration of the old harbour area on the banks of the River Forth. This work has been carried out to achieve benefits including improvements in customer service through collaboration, efficiency in operations and property costs, and the promotion of public-sector innovation.

80. The Investing in Education capital programme has supported the building and refurbishment of three primary schools and nurseries over the past three years, at a total cost of £17.8 million. Investment has also been made within roads infrastructure, through modernisation and improvement projects. The cumulative spend on roads infrastructure from 2014/15 to 2018/19 was £20.4 million. This represents 15 per cent of total general fund capital expenditure over the five-year period.

81. Over the past five years, the council's HRA capital programme has included an investment of £27.2 million in new-build properties. However, the actual number of properties built during this period was lower than planned with 151 properties built, against a target of 176. The reduction was due to the poor performance of a private building company in two of the developments and delays in procuring a specialist contractor to install foundations and drainage systems for an in-house build. A plan is in place to increase the council's housing stock by a further 279 units over the next five years.

82. The 2005 Best Value report noted the council's ambitious target to enable the building of 8,000 new homes by 2016. This was not achieved due to factors described by the council as the global economic downturn. A revised target of 7,072 new homes by 2027 has been set within Local Development Plans (LDP) since 2010. Progress against targets within the LDP is monitored as part of the annual Housing Land Audit carried out by the council and presented to the FEC. This sets out the availability of land for housing development and provides an update on completed builds over the period. The 2018 audit shows that the target of 7,072 new homes by 2027 is on track to be achieved, with the audit recording 2,345 completions to date and planned completions to be 7,301 units by 2027.

83. As well as the new builds the council's HRA investment programme includes Scottish Housing Quality Standard investment in kitchens, bathrooms, heating, windows and doors, and a significant solar panel investment programme.

Part 4

Is the council working well with its partners?



The council works well with a range of partners but management and reporting arrangements for the Community Planning Partnership need to improve. There is a need to further develop community engagement.

The council is committed to partnership working and has positive relationships across the public, business and third sectors

84. The council has well-established working relationships with a range of partners, including NHS Forth Valley, Police Scotland, the Scottish Fire and Rescue Service, the University of Stirling, the third sector and business partners. There are good examples of effective partnership and collaborative working, ranging from informal arrangements to structured partnership forums and arm's-length external organisations (ALEOs), that is, organisations that are separate from the council but are controlled or influenced by it. Over recent years, a focus of the council's partnership working has been on the City Region Deal.

The council is working well with its City Region Deal partners to boost economic growth

85. The City Region Deal involves both Stirling and Clackmannanshire councils. The councils have worked together to deliver the programme, with Stirling Council acting as the lead authority. A robust governance framework is in place, including the establishment of a joint committee as the decision-making forum for all City Region Deal matters.

86. Stirling Council established the City Commission to support development of the City Region Deal. The group includes senior representatives from the public, private and third sectors. It provides ongoing strategic oversight of the programme's development. Business cases submitted in support of projects have been well received by both the Scottish and UK governments.

87. The council has made progress in the development of the Digital District as part of the City Region Deal. The council created a partnership with CodeBase to provide business start-up and scale-up support services for digital technology companies. One of the key partnership objectives is to ensure that the appropriate infrastructure is in place for companies to realise their ambitions for growth and development in Stirling. This is part of the City Region Deal objective of delivering inclusive and sustainable economic growth.

88. The council redeveloped the Municipal Buildings to house CodeBase and other digital technology companies. CodeBase Stirling opened in November 2017. Thirteen companies are now operating from the Municipal Buildings and these companies account for over 80 jobs. In addition, over 100 events have been hosted in the space including conferences and events to boost the profile of the Digital District.

The council reviews the performance of its ALEOs. It needs to demonstrate that the structure of these services remains fit for purpose

89. Stirling Council has 12 ALEOs. Funding provided by the council to these bodies in 2017/18 totalled £2.2 million, the majority of which was paid to Active Stirling. There are service level agreements in place with all ALEOs. The other ALEOs provide a range of services including employability and skills training in Stirling and the wider area; corporate geographical information services; and the promotion of industrial and commercial activities that make accommodation available for letting. There are effective governance arrangements in place to monitor the performance of ALEOs. A comprehensive annual report has been in place since 2016/17 which is presented to the Audit Committee. It covers the activity and performance of the council's ALEOs and strategically funded bodies.

90. The largest ALEO is Active Stirling Limited. It has a service level agreement with the council to provide sport, physical activity and healthy living services on behalf of the council across the council area. This includes activities in the Stirling Sports Village and in community facilities and schools. It has an annual turnover of £6 million, £1.4 million of which is a management fee paid by Stirling Council. In addition, the council operates a lifecycle maintenance arrangement for The Peak leisure centre, whereby Active Stirling is responsible for general maintenance and the council finances any major capital repair costs. The council has a Partnership Agreement with SportScotland which supports the Active Schools and the Community Sports Hub programmes, delivered by Active Stirling Limited via a grant from SportScotland.

91. The council is in the process of reconstituting Active Stirling Limited. This has seen Stirling Council become the sole and controlling member, with a board of directors that includes community and health representatives. A new operating contract and service specification is being negotiated, to ensure that Active Stirling's activities are strategically aligned with the outcomes in the Stirling Plan and the Council's Sport, Physical Activity and Healthy Living Strategy.

92. Active Stirling's performance is monitored through key performance indicators, which are reported to the Community Planning and Regeneration Committee. To date, these indicators have focused on traditional outputs measuring lifestyle and elite sport focus, for example membership numbers, swim participant numbers, types of programmes delivered and customer satisfaction. The performance framework will prioritise the impact of sport and physical activity on life opportunities and circumstances. Stirling Council expects Active Stirling to deliver programmes and services that target more disadvantaged individuals, families and communities, in line with the Stirling Plan.

93. An independent review of the seven ALEOs which focus on the local economy was carried out by consultants and reported to the FEC in April 2018. This found that there was evidence to suggest that the ALEOs are contributing

to growing the Stirling economy but there was less evidence to suggest the arrangements are contributing directly to council income. While the report looked at various options for alternative delivery of services, its recommendations mainly focused on renegotiating the terms of contracts with ALEOs for services to assist ongoing delivery. The council are reviewing their options and an update will be provided to members in June 2019.

The council has demonstrated its ambition to work differently with partners

94. The council has tried to progress shared service models and has had some success in small-scale joint service arrangements. For example, the trading standards service it shares with Clackmannanshire Council has been in place since 2012. Stirling Council also delivers animal health and welfare services on behalf of Clackmannanshire, Falkirk and East Dunbartonshire councils, and has a partnership arrangement in place with Clackmannanshire and Falkirk councils for the Banded Stray Dog Shelter.

95. In 2010, Stirling Council entered into a shared service agreement with Clackmannanshire Council for education and social care services. The councils were aiming to improve service quality and efficiency while maintaining their independence. The shared services worked on a lead authority model, with Stirling Council acting as lead for education services and Clackmannanshire Council as lead for social services. This covered management-level arrangements and some operational arrangements, but separate governance arrangements continued within each council. This included separate reports being taken to each council by the shared services.

96. The main advantage was that the planning and running of initiatives was more financially efficient. In 2015, the two councils commissioned a review of the shared service arrangements. The consultants concluded that over £1 million a year was being saved between the two councils and fully integrating services would create further marginal savings.

97. The shared service agreement did not run smoothly because the two councils have different priorities, governance structures, demographics and management cultures. For example, Clackmannanshire Council was one of the nine Scottish Attainment Challenge local authorities whereas Stirling was not. As a result, the shared service arrangement came to an end in October 2016 and Stirling Council redesigned their services. Some additional efficiencies may have been gained through continuing to share services. However, the council considers that since ending its shared service arrangement with Clackmannanshire Council, it has been easier to make decisions on savings and focus services on areas that provide greater benefits to Stirling residents. New governance arrangements are now in place.

98. The council has recently developed pilot partnership projects that have led to changes in service delivery, for example a partnership project with the charity Includem that focuses on improving services for looked-after children and young people ([Case study 1, page 34](#)). The council should ensure that the impact of such partnership projects is monitored and reported effectively.

Case study 1



Stirling Council has worked with the charity Includem to improve the lives of looked-after children, and reduce the number of children in residential and external foster care

- Includem is a charity that works in the community with children and young people who find it difficult to get the support they need from other services.
- Includem is working with Stirling Council on a two-year fixed term contract to pilot an intensive support service for children, young people and families. The service uses early intervention and prevention techniques to help reduce the numbers of children in residential care or external foster care.
- The partnership is a pilot project funded by Stirling Council. Each accommodated child or young person costs Stirling Council between £3,500 and £5,100 per week. One child on a placement costing £5,100 a week costs Stirling Council approximately £260,000 a year. The council invested £675,272 over the two-year pilot. Even if the partnership project with Includem prevents only two children from going into residential or foster care, a financial saving will be made.
- Equally important, the project is helping children and young people to build support networks, allowing them to play a full and meaningful role in their communities. This in turn could contribute to savings in other service areas, such as those related to homelessness and the adult justice system.
- In the first year of service, 33 young people were supported, with 14 young people no longer needing support from Includem. Eighty per cent of young people left the service having achieved the goals set when they first engaged with the service. This has led to cost reductions of £1.4 million with a current uncommitted position of £880,000.

Source: Audit Scotland

The Community Planning Partnership has a shared plan but reporting structures need to be improved and performance against outcomes reported

99. Community planning partners are committed to working together and have a shared vision for the Stirling area. A LOIP (the Stirling Plan) is in place but three out of the four locality action plans are still to be completed. Partners have aligned their own plans to the Stirling Plan.

100. As noted in Part 1, the CPP agreed the LOIP in early 2018. It links to the priorities outlined in the council's five-year business plan and sets out four outcomes. There has been a hiatus since the agreement of the Stirling Plan due to staff vacancies within the council and a lack of capacity by other partners. In general, partners look to the council to take the lead within the CPP but the CPP

manager post has been vacant since August 2018. These factors have resulted in slow progress on developing the remaining three locality area plans and is also having an impact on the delivery of some outcomes in the LOIP. There is now a need to deliver on the outcomes in the Stirling Plan and effectively report on these. A Localities and Partnership Lead Officer has been appointed recently to lead and coordinate all CPP activities.

101. The CPP's reporting structures were set up when the previous Single Outcome Agreement was in place. The council and its partners plan to review these structures to ensure they remain fit for purpose for delivering the Stirling Plan. This will include:

- reducing the number of working groups
- setting up an executive group to prepare agendas for the CPP board
- establishing local area partnerships.

102. The information about the CPP on Stirling Council's website is out of date and difficult to find. Stirling Council and its partners are considering alternative ways of presenting CPP performance information to the public, including a dedicated website and new performance reporting arrangements.

The council has been slow to implement the requirements of the Community Empowerment (Scotland) Act 2015

103. Community empowerment is about supporting people to do things for themselves and enabling people to take control over the decisions and factors that affect their lives. 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, through for example:

- community asset transfers – where communities can take responsibility for land and buildings
- participation requests – where people can ask to take part in decisions about council services.

104. No community asset transfers have been completed by Stirling Council to date and there are no formal applications in progress. There were two indications of interest (stage one applications) in 2017/18, for Braehead Football Pitch and Braehead Community Garden.

105. The council has focused on supporting communities to make sure that they have the necessary skills and resources before completing any requests for asset transfers. Its Property Asset Management Strategy (2018-28) sets out the council's plans to develop an asset transfer policy. This includes raising awareness of the asset transfer process and supporting community groups to develop a working model to progress to a full asset transfer. Finalising the community asset transfer policy is considered critical to the delivery of the Community Property Transformation Programme.

106. The council has received one participation request to date. Strathblane Community Council asked to work collaboratively with the council on road safety issues. As a result, a short-life working group was set up for a period of eight

months. Members included council officers, representatives from the community council and other key organisations. The group met to consider an action plan for maintaining roads, footpaths and street lighting and this will be taken forward.

107. Participatory budgeting is a way of giving local people a greater say in how the council spends some of its money. Stirling Council is committed to enabling citizens to make decisions on at least one per cent of its mainstream budgets through participatory budgeting by 2020/21. The council is currently piloting its approach. In 2019/20, £0.7 million will be divided equally between the seven council ward areas.

108. The council plans to hold outreach events in seven electoral wards. Members of the community will identify local priorities and make initial proposals for options. The ideas will be screened against specific criteria, ensuring they meet statutory duties. These options will be further developed by project teams which will include technical, legal, procurement and finance representatives alongside members of the community. They will be supported by community engagement staff. The community will then vote on the options digitally. There will be outreach events to encourage voting and target specific sectors of the community. The approved options will become part of the service plan and implemented in 2019/20.

The council needs to improve its community engagement

109. Stirling Council has a well-established community engagement team which works with communities across the council area. Members of the team also provide training and support to council staff. Other examples of engagement with service users include a dedicated youth forum and a group of young people with experience of living in care, who provide input into the work of the children and families team.

110. The results of the 2017 Scottish Household Survey indicate that, in general, residents continue to be satisfied about the level of engagement with the council. Of 280 respondents from the Stirling Council area, 25 per cent felt that they could influence decisions in the area (compared with 23 per cent nationally). Twenty-eight per cent said they wanted to be more involved in decision-making (compared with 33 per cent nationally).

111. The last residents' survey took place in June 2011. The council has since used other ways of engaging with communities. For example, as part of the PBB process, staff talked face to face with established community groups as well as the general public and used online voting. The council recognises that community engagement could be further developed to ensure that the most vulnerable and disengaged can meaningfully take part in decision-making processes. The council is helping communities to build capacity so that they can take on a greater role in prioritising and providing services.

112. There are plans to reintroduce a residents' satisfaction survey in 2019 and to explore other ways of engaging with the public. The council aims to gather user views in a number of ways and help people influence decision-making, for example through a large-scale survey, citizens' panel, website, question of the week and face-to-face discussions. Staff have been in discussion with other councils, such as East Ayrshire Council, to learn from their good practice in this area.

The size and structure of the Integration Joint Board makes taking decisions more challenging

113. Stirling and Clackmannanshire Councils established a single integration authority with NHS Forth Valley in October 2015. The Integration Joint Board (IJB) is responsible for some acute health board services, such as accident & emergency and unplanned or non-elective admissions, along with community health, social care, and mental health. The IJB is responsible for the strategic direction of services.

114. The IJB is the only health and social care partnership in Scotland that spans two local authorities. It is the second largest in Scotland, with 36 board members. Agendas are large and, at times, debates are cut short because of time constraints. The size of the board makes it unwieldy and reduces its effectiveness as a decision-making forum.

115. A finance committee was formed by the IJB in March 2018 to consider all financial performance information, including the monitoring of partnership performance against budgets. This committee has helped to ensure that the IJB and its partners now receives more regular and reliable information regarding progress towards efficiency targets and how this affects performance. Despite this and a further contribution of £0.4 million by the council in 2018/19, the IJB forecasts an overspend of around £2.5 million for 2018/19 which must be met by partners.

The council was slow to transfer responsibility for adult care services to the Integration Joint Board

116. The council was slower to delegate operational responsibility for adult care services to the IJB than other Scottish councils. The transfer of adult social care services was completed in September 2018. A joint inspection report of adult services in November 2018 noted that the different governance arrangements from the three constituent bodies created challenges around the understanding of financial accountability. It also observed that the IJB functions as three separate financial contributing bodies.

117. A key challenge will be delivering new ways of providing care, for example through the Stirling Health and Care Village ([Case study 2, page 38](#)). To ensure that this facility is effective in providing care, partners must now learn from the findings in recent national reports from the Care Inspectorate and Audit Scotland.

Case study 2



Stirling Council worked in partnership with NHS Forth Valley and the Scottish Ambulance Service to create the Stirling Health and Care Village

- The Stirling Health and Care Village aims to provide a facility where people can get the support they need when and where they need it, with as little disruption as possible to their lives. It has brought together a range of health, care and other services on one site, in the centre of Stirling.
- The project aims to remove the artificial distinctions between different organisations, which are irrelevant to the person using the services. Staff working in the facility have a dual health and social care role, which makes it easier to respond to people's needs.
- Services include 116 beds for short stays (for example for assessment, rehabilitation or palliative care), general medical services, community nursing, a minor injuries unit, diagnostics, a GP out-of-hours service, an ambulance station and an ambulance vehicle workshop.
- 11,000 square metres of new accommodation will be built at an estimated capital cost of £34.5 million. The estimated overall capital cost of the project, which includes equipping the facility, is £37 million.
- Following approval of a business case in December 2016, the construction phase began in January 2017 and continued until summer 2018. The GP and minor injuries building was formally handed over in July 2018 and is now operational. The care facility (the Bellfield centre) was formally handed over in October 2018 and became fully operational by January 2019.
- This project pre-dates the establishment of the IJB, but it has been endorsed and approved by the IJB as it meets the aims of its strategic plan and has the IJB's full support.
- The partner organisations continue to meet at programme board level to evaluate performance, outcomes and impact. The board receive performance monitoring reports on a regular basis. Performance is measured against a range of criteria, for example the impact on acute hospital discharge times, satisfaction surveys from service users and their relatives, and formal inspections from the Care Inspectorate.

Source: Audit Scotland

The 2018 joint inspection of adult services found that performance is good in several areas but highlighted some areas that need to be improved

118. The Care Inspectorate, working with Healthcare Improvement Scotland, inspected adult services provided by the Clackmannanshire and Stirling Health and Social Care Partnership, and reported on their findings in November 2018.

119. Overall, the inspection found that services across the partnership were performing well, with evidence that the partnership has sustained and improved performance trends at or above the Scottish average. It also noted that the partnership has led to a positive shift in the balance of care, enabling more people to stay at home. For example, in Stirling, the rates of the under-65 population receiving homecare and intensive home care are higher than the Scottish averages. In addition, the length of stay in care homes in Stirling for those aged over 65 is lower than the Scottish average. However, delayed discharges for Stirling have been increasing.

120. The inspection highlighted that there is regular communication between all three partner agencies at executive level in support of the current priorities of the IJB. However, while partners individually continue to develop specific health and social care services well, they do not function efficiently as a partnership, and still tend to operate as separate entities. This calls into question the commitment by all three partners to genuine partnership.

121. The report contains a few recommendations for improvement, including the need for the partnership to work with both council housing departments and registered social landlords to produce a coherent and shared strategic plan for accommodation across the integration authority.

Part 5

Is the council demonstrating continuous improvement?



Since the previous Best Value report in 2011, there has been a lack of effective officer and political leadership in demonstrating a systematic approach to delivering improvement.

The majority of council services perform above the Scottish average and are improving. However, the council cannot demonstrate that it is achieving all aspects of Best Value as its approach to self-evaluation has been inconsistent.

A more structured approach to self-evaluation is required

122. Over the last few years, the council's approach to self-evaluation has been inconsistent with no structured corporate approach. Although some internal self-evaluation and external service reviews have been carried out, there is no corporate-wide improvement plan in place.

123. A performance board was put in place in August 2017. This board meets monthly to monitor the delivery of operations and to promote a culture of continuous improvement. The council recognises the need to have a more corporate and cohesive approach to performance monitoring and reporting to drive improvement. A corporate performance team, which was disbanded in early 2017, will be reintroduced soon to help coordinate activity.

124. Service management commissioned external consultants to review the roads maintenance service (2017) and the housing service (2018). In each of these cases the Senior Management Team at the time took the decision to commission these reviews based on poor performance information, self-reflection on the changes that had been made to the service structure and to meet the Administration's key priorities.

125. The roads maintenance report centres on a restructuring of the roads maintenance service to make it more commercial. While the report was not formally adopted by the service management at the time or the action plan implemented, some improvements have been made since August 2018. This includes the introduction of a new costing system, additional team members, and a review of job descriptions and roles within the service. The council has recently established a task force group, including representatives from the supervisors and operational workforce along with the service manager, trade union and HR representatives. The role of this group is to address known issues and those identified in the consultant's report.

126. Previously, improvement plans were produced after each Public Sector Improvement Framework (PSIF) self-assessment; however, these have not been produced since 2016. The council now plans to undertake a service-wide PSIF assessment based on the new checklist approach, piloting it in children's services. Following this, a three-year corporate self-assessment plan will be produced.

The council is realigning its transformation agenda with its five-year business plan

127. The council's project management of its transformation programme has evolved since the last Best Value report in 2011. A Change Programme Board was established in 2012. This was supported by a Work Stream Leads Group which was responsible for making recommendations to the CMT who were responsible for the governance of the change programme. Then, in 2014 a Sponsoring Group was established to govern the programmes of work. The 2016 restructure resulted in the programme management function sitting within Corporate Services and the boards/groups were restructured. This resulted in the formation of a Strategic Transformation Board which was responsible for strategic direction and a Strategic Delivery Board which was responsible for operational matters. These arrangements operated for around one year.

128. Currently, the council has a transformation agenda consisting of six programmes and 27 projects. These were identified following the formation of the Transformation Portfolio Board in August 2017 and include some projects which were ongoing at that time, as well as others formed in order to meet the council's key priorities and gaps in service. Currently, the transformation programme and projects budget and benefits delivery are managed through the Performance Board and through the PBB process. The Transformation Portfolio Board oversees and governs the transformation portfolio – that is, all the transformation agenda's programmes and projects; and holds projects and programmes to account. Its remit was revised in June 2018, to provide the strategic leadership needed to ensure that the transformation portfolio meets the council's strategic aims. The board meets monthly and is chaired by the Chief Officer, Strategic Commissioning & Customer Development. The revised remit of the board means that it is now responsible for managing the competing priorities of the various transformation programmes and projects and allocating resources accordingly.

129. The 27 projects span all council services and include:

- support for looked-after children
- fostering
- redesign of neighbourhood care in rural West Stirlingshire
- smart energy
- enhanced learning
- centralised depots
- connecting customers efficiently to council services.

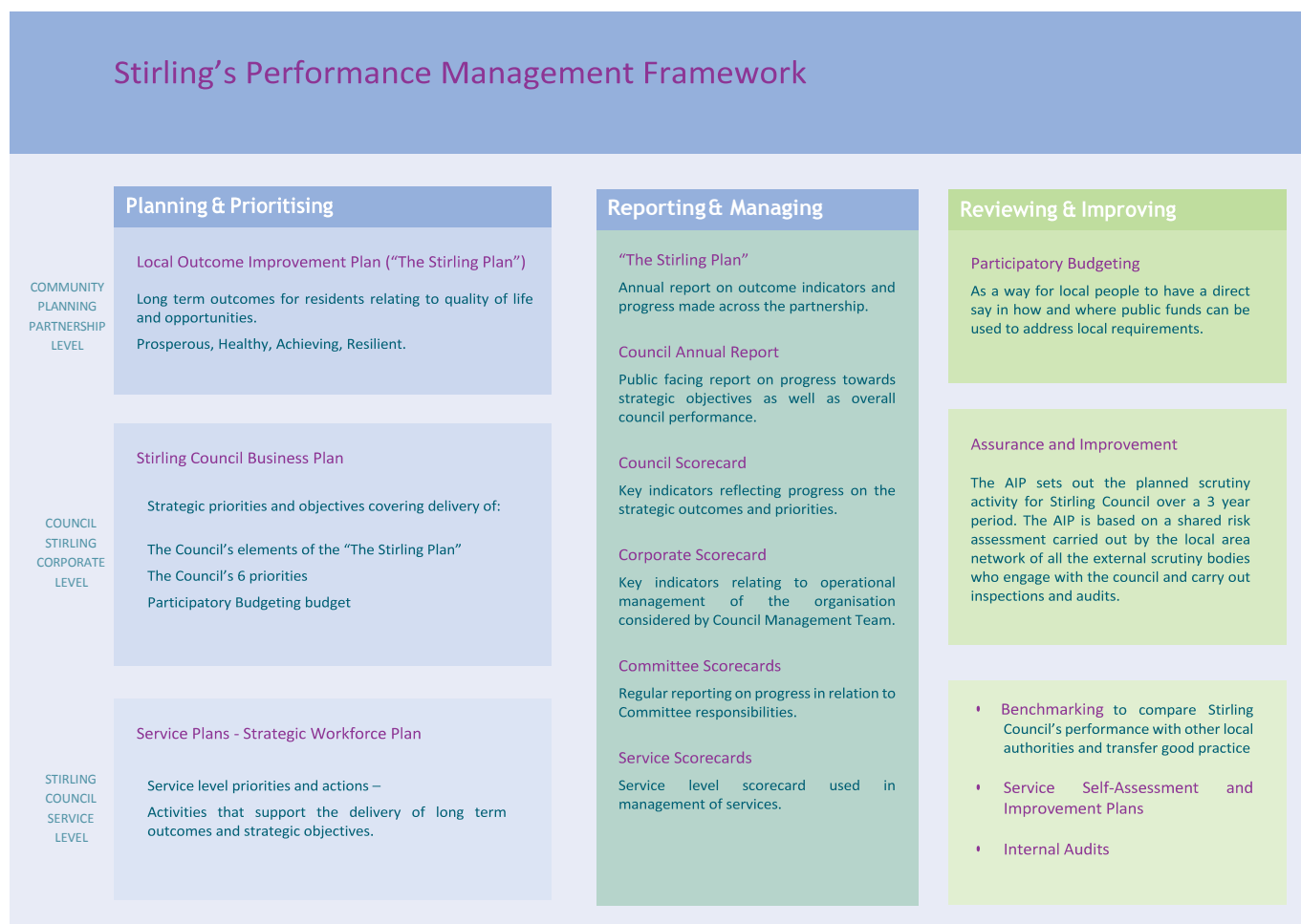
130. The council is further reviewing the terms of reference, programmes and projects within the transformation portfolio. It intends to align this portfolio with the five-year business plan. The council also intends to determine where it needs to fundamentally transform delivery of services in order to meet the ambitious goals within the Stirling Plan and the five-year business plan. A review is currently under way with all senior managers and the chief executive to set out how the new transformation portfolio will look and what it aims to achieve. The council plans to engage with the Centre of Excellence at the Scottish Government and ensure that rigorous Gateway Reviews are carried out for the new transformation portfolio and its programmes.

131. At the same time as reviewing the transformation portfolio, the council is also looking differently at digital delivery. It plans to create a digital portfolio to enable it to meet the goals of its digital strategy, aimed at providing better-quality information on services. This includes improving the ways in which citizens can interact with the council. This digital portfolio will also be governed by the Transformation Portfolio Board.

132. Additional investment and prioritisation of the council's transformation objectives, based on business cases, will be needed as the number of priorities increase. As noted in [Part 3](#), the council has set aside some of its general fund balance to help finance this. The council should ensure that it has mechanisms in place to demonstrate progress made in each of these projects and the impact they have on the community.

Progress has been slow in implementing an effective performance management framework

133. An effective performance management framework is a key part of a council's self-evaluation processes to identify areas where improvement may be needed. The 2011 Best Value report said that the council's performance management framework needed development. While performance management arrangements have been refined and updated since 2011, progress has been slow since that time. There has been an acceleration in progress in the last six months. It is essential that that this is sustained. The refined organisation-wide Performance Management and Reporting Framework (PMRF) is summarised at [Exhibit 10 \(page 43\)](#).

Exhibit 10**Stirling Council's Performance Management and Reporting Framework**

Source: Stirling Council

134. The refined PMRF aims to:

- strengthen the links between strategic priorities and service planning
- ensure the effective use of data to make improvements
- raise awareness, define ownership and deliver training to support the new arrangements.

To date, the council has been unable to demonstrate that this framework has been effective in focusing improvement against its priorities.

135. The council also took into account statutory performance requirements as well as a need to develop revised corporate, committee and service scorecards to measure performance in various areas based on pre-determined performance indicators. This has been under development for some time. The council should improve how it uses benchmarking to identify where improvements should be made. For example, the council does not use the family groups of the LGBF. In addition, there is no evidence that any analysis that the council carried out on LGBF data has led to the development of any action plans to improve services.

Scrutiny focuses on improvement at a service level, but this needs to be developed at a corporate level to ensure that corporate priorities are addressed

136. Since January 2018, service scorecards have been part of the performance management system. This now provides more visible interactive data, with instant access to live performance information. There have been some refinements to performance indicators, and dashboard reports are provided to management. This has provided service management and the CMT with access to all performance information in one central repository for the first time. The scorecards and indicators are still under development and the council aims to link these more closely to its priorities.

137. Key performance metrics are monitored by service committees and these form a key part of service plans and overall service performance monitoring. Performance indicators are included in the senior manager scorecards and service manager scorecards, and the high level measures against which performance is judged are listed in the five-year business plan. The monitoring and reporting of service plan progress is now coordinated by the council's Portfolio Management Office and supported by the performance management system.

138. The council's service committees receive regular performance reports throughout the year. These monitor progress against the council's service objectives. Performance scorecards and progress reports have been updated to reflect the six priorities set by the council to be delivered over the five years of the new administration's term.

139. We acknowledge that service management use this data to address the poorer performance in certain areas. However, the council needs to make more use of the data at a corporate level and ensure that the data is used to trigger required improvement activity. It should also be used to demonstrate that limited resources are directed to areas in which they are required most to address council priorities and competing improvement requirements. It is expected that the revised remits of the Transformation Portfolio Board and the Performance Board will address this. ([Exhibit 11, page 45](#))

Exhibit 11

Comparison of Controller of Audit Best Value judgements

Since the last Best Value report in 2011, the council's services have continued to perform well, but progress has been slow in demonstrating a systematic approach to continuous improvement.

Controller of Audit judgement	Controller of Audit judgement	View
<p>Service performance: Service satisfaction with council services is good and improving. Many services are performing well and improving.</p>	<p>The council does not clearly report performance against its priorities. National performance data shows that services are performing well.</p> <p>Service satisfaction exceeds the Scottish average in over half of the indicators, but others perform less well.</p>	<p>Part 2</p>
<p>Leadership and strategic direction: The council demonstrates a clear vision with strong collaborative leadership between councillors and officers and across political groups. There is scope for statutory officers to better exert their influence and to improve corporate working below the CMT level.</p>	<p>The council continues to have a clear strategic direction, supported by plans to achieve its objectives. There is evidence that councillors and officers are working together to achieve the council's priorities, and this is also evident across the political groups.</p> <p>Changes to the senior management team have slowed the rate of progress.</p> <p>There has been a lack of effective officer and political leadership in demonstrating a systematic approach to delivering improvement.</p>	<p>Part 1</p> <p>Part 5</p>
<p>Performance management: The council is self-aware and leadership has a clear focus on improvement. Performance management has improved since the 2005 Best Value report but there remains scope to further develop the performance management framework throughout the organisation to include reporting against outcomes, and service quality and value for money indicators.</p>	<p>The council's approach to self-evaluation has been adhoc with no structured corporate approach.</p> <p>The council's performance management framework is still not effective at delivering improvement. The council is not able to identify key indicators to demonstrate service quality and improvement.</p> <p>It is not clear how LGBF data has been used to deliver improvements.</p>	<p>Part 2</p> <p>Part 5</p>
<p>Use of resources: The council has made positive progress in resource management. The council has a good budget planning process and takes a medium-term financial perspective. Workforce planning has improved but the council must apply its workforce planning fully across the organisation. The council should also take a more strategic approach to people management, asset management and procurement to build on progress made in these areas.</p>	<p>The council demonstrates strong financial management supported by a robust and transparent budget-setting process that has helped to identify and deliver savings. Improvements to asset management have been implemented in recent years.</p> <p>A comprehensive and coordinated approach to workforce planning is in place. The council has developed a strategic approach to effectively managing its assets, and management of the capital programme has improved in the last couple of years.</p>	<p>Part 3</p>

Exhibit 11 continued

Controller of Audit judgement	Controller of Audit judgement	View
<p>Partnership working: The council and its partners have set a clear vision for Stirling and the council actively promotes partnership working. The council has made good progress in working in partnership with other bodies – however, there is scope to rationalise partnership structures and to improve management and reporting arrangements for the CPP.</p>	<p>The council and its partners continue to have a clear vision for Stirling. The council is also working well with its City Region Deal partners to boost economic growth. Community planning partners are committed to working together but there is scope to improve management and reporting structures.</p> <p>There is also potential to further develop community engagement.</p>	<p>Part 4</p>
<p>Staff engagement: The council was committed to developing the leadership skills of managers and there was a range of communication tools in place to keep staff informed. Some aspects required to be improved including the development of stronger corporate working below CMT level; and consulting regularly with staff to monitor the impact of the change programme and other improvement activity.</p>	<p>Consultation with staff has been sporadic and levels of engagement vary. There were no staff surveys from 2008 until 2018. Some initiatives are in place to keep staff informed, including the 'big huddle', which has been in place since 2014. Findings of the recent survey are being used by the CMT to address the issues raised.</p>	<p>Part 3</p>

Source: Audit Scotland

Recommendations



The council needs to introduce a structured approach to self-evaluation to deliver continuous improvement. In particular, the performance management framework needs to be refined to identify and prioritise areas for improvement in line with the council's priorities. ([paragraphs 122 and 133](#))

The council should demonstrate that they use benchmarking and customer satisfaction information to identify areas for improvement and identify other councils that they could discuss good practice with. ([paragraphs 30 and 41](#))

Performance reports for councillors should be refined to include key indicators which show performance over time against the council's priorities. ([paragraph 26](#))

The council needs to improve its public performance reporting, to show a summary of the council's performance against the business plan objectives. ([paragraph 37](#))

Councillors should increase attendance at training courses and agree on actions to improve attendance rates. Personal development plans for councillors should be considered. ([paragraph 24](#))

The council should develop a more regular and structured approach to staff consultation and engagement. ([paragraph 71](#))

The council should complete its residents' satisfaction survey in 2019 and demonstrate how it uses the results to inform future council decisions. ([paragraph 42](#))

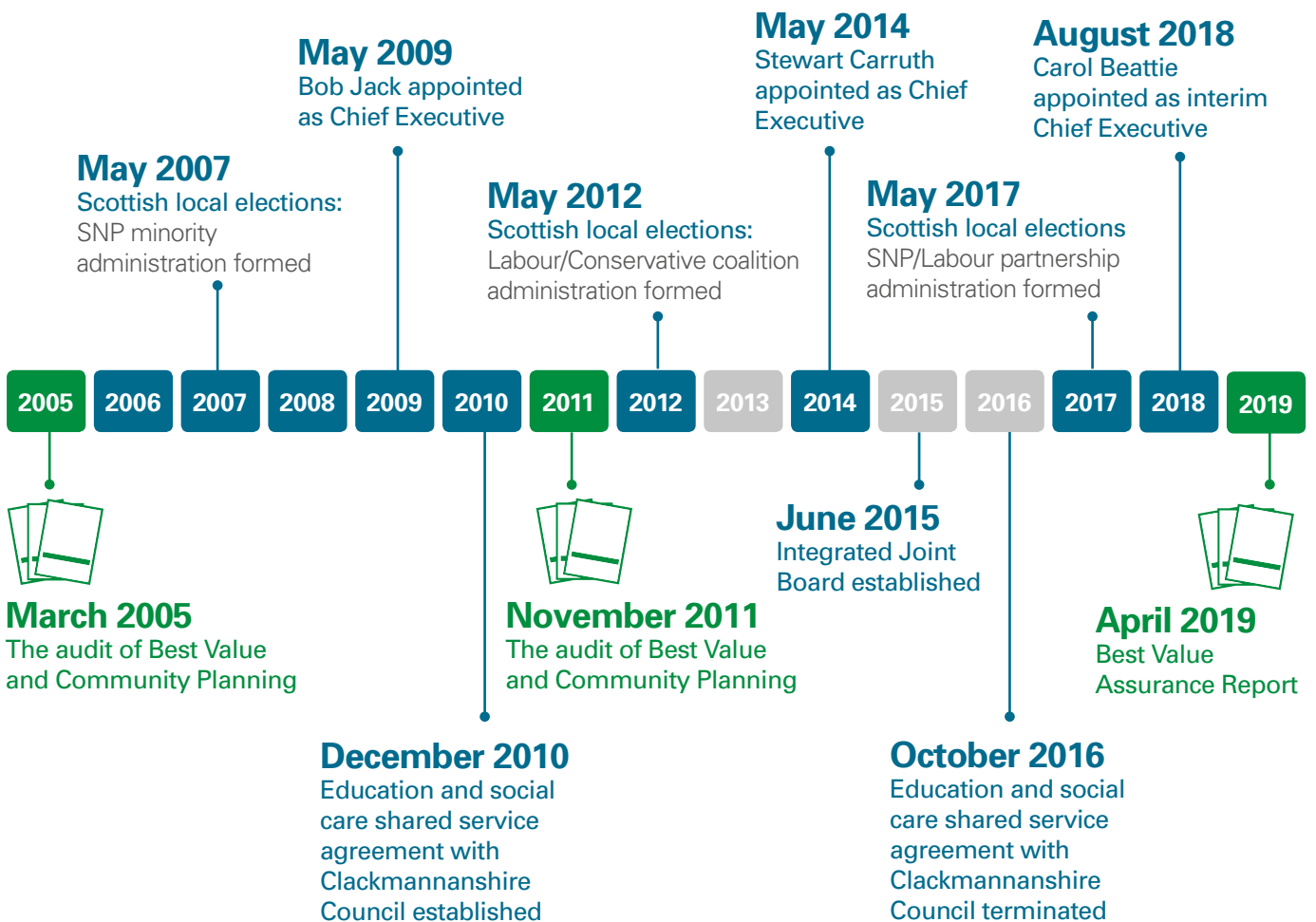
The council needs to approve the three outstanding locality action plans without delay, to comply with the requirements of the Community Empowerment (Scotland) Act 2015. ([paragraph 16](#))

The CPP should complete its review of reporting structures and report performance against its local outcome indicators. ([paragraph 99](#))

The council should review and report on whether the structure of its ALEOs remain fit for purpose ([paragraph 89](#))

Appendix

Best Value audit timeline



Best Value Assurance Report Stirling Council

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

www.audit-scotland.gov.uk 

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