Best Value Assurance Report

Aberdeenshire Council

ACCOUNTS COMMISSION

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.
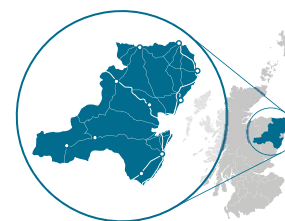
Our work includes:

*   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 🖥

Contents

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Key facts

2,437 square miles

Area

261,470

Population

10,500

Workforce

(number of full-time equivalent employees)

70

Elected members

18 Conservative and Unionist
14 Scottish Liberal Democrats
9 Aligned Independents
19 Scottish National Party
9 Independents and small groupings
1 Scottish Labour Party

13,004

Council houses

£605 million

2020/21
Revenue budget

£975 million

2020–35
Capital budget

£64 million

2020–25
Budget gap

Commission findings
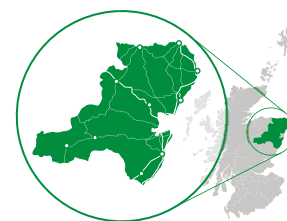
1   The Commission accepts the Controller of Audit's report on Best Value in Aberdeenshire Council and we endorse his recommendations. Much of the work for this audit was undertaken before the Covid-19 emergency. As such the report does not consider the additional and sizeable pressure that this has placed on the council. The Commission is, however, of the firm view that the principles of sound financial management, good governance, public accountability and transparency remain vital. Accordingly, we intend that our reporting of the Best Value audit will help the council deal with the significant challenges that it faces.

**2**   Aberdeenshire is an area that enjoys relatively good outcomes for its communities. Council services largely perform well with good customer satisfaction. While the council has foundations in place to improve, we are firmly of the view that it will only realise its full potential through increasing its pace of improvement by addressing some crucial aspects of Best Value in how it determines its priorities and plans desired outcomes.

3   At the centre of this change is the need for clearer and more focused high-level priorities and better demonstrating continuous improvement. Such clarity is vital for challenging times ahead: at present it is difficult to gauge what the council is trying to achieve; how it performs against objectives and compares to other councils; and where it feels it needs to improve or focus resources. These shortcomings compromise the leadership which will need to be demonstrated by members in conjunction with officers.

4   We note a record of sound financial management and planning already in place, and we particularly commend the council in its approach to carbon budgeting and rationalising its council property estate. Running alongside this, the council needs to demonstrate more effective use of resources by progressing a strategic approach to managing its workforce. We also encourage members to make more use of the training and development opportunities that are available to them.

5   We urge the council to maintain its focus on those communities whose existing vulnerability has been exacerbated further by the Covid-19 emergency, thus helping to support fairness and equality. The good relationships that the council enjoys with its community planning partners is a sound basis for setting and communicating clearer outcomes for Aberdeenshire. Its good record of consulting with its citizens needs to be stepped up with better locality planning leading to more engaged and empowered communities. We encourage the council to address these findings and the Controller of Audit's recommendations. The Controller will monitor progress through the annual audit and inform us appropriately.

Audit approach
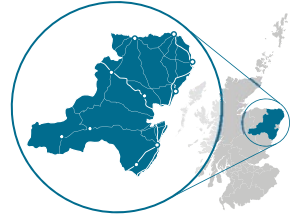
1. The statutory duty of Best Value was introduced in the Local Government in Scotland Act 2003. The audit of Best Value is a continuous process that forms part of the annual audit of every council. Findings are reported each year through the Annual Audit Report. In addition, the Controller of Audit will present a Best Value Assurance Report to the Accounts Commission at least once during the five-year audit appointment for each council. This is the first assurance report on Aberdeenshire Council. The findings from the previous Best Value report ⊕ on the council are summarised in Exhibit 16 (page 47).

2. This report seeks to provide the Commission with assurance on the council's statutory duty to deliver Best Value, with a particular focus on the Commission's Strategic Audit Priorities. We are looking for councils to demonstrate Best Value by showing continuous improvement in how they deliver services. The pace and depth of this improvement is key to how well councils meet their priorities in the future.

3. Our audit approach is proportionate and risk based, so it reflects the context, risks and performance of the individual council. It also draws on the intelligence from audit and scrutiny work carried out in previous years. In keeping with this approach, we conducted some initial work to identify risks and council initiatives to build into the scope of our audit. This included a review of previous audit and inspection reports and intelligence, a review of key council documents, initial meetings with senior officers and reflection on our wider public sector knowledge and experience. Key areas of focus for our audit are listed in Exhibit 1 (page 7).

4. The detailed audit work for this report was largely undertaken in March 2020 and therefore pre-dates the Covid-19 pandemic. Where appropriate, our findings have subsequently been updated to reflect the impact of the pandemic and the council's response to it. Our detailed audit work included:

- interviews with elected members and senior officers

- observing a range of council and committee meetings

- discussion with trade unions

- reviewing documents and analysing data.

5. We gratefully acknowledge the cooperation and assistance provided to the audit team by elected members, officers and the council's partner organisations. As part of the annual audit of the council, our future work will follow up the findings and recommendations in this report. It will also include more detailed audit work on other Best Value areas as appropriate.

Exhibit 1
Key areas of focus for our audit
The audit considered a broad range of issues.

The council's priorities and the role of area working

This included assessing how the leadership of the council works together to deliver the council's priorities. We also considered the importance of the council's area structure and locality planning arrangements in supporting the delivery of these priorities, especially in rural and remote communities. 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 link between the council's self-evaluation, improvement actions and changes in outcomes for local people. 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 how the council's procurement policies and practices support sustainability and the council's use of workforce planning to support the delivery of its priorities. Our findings on this are reported in Part 3 of this report.

Delivering services with partners

We assessed how the council delivers sustainable services in collaboration with partners to meet the needs of residents and support the local economy, including consideration of the Aberdeenshire Integration Joint Board, the Aberdeen City Region Deal and the Northern Alliance. We also considered how community engagement and empowerment influenced the council's activities and delivery of services. Our findings on this are reported in Part 4 of this report.

Continuous improvement

We reviewed the council's approach to continuous improvement, including assessing the overall pace and depth of change. Our findings on this are reported in Part 5 of this report.

Source: Audit Scotland

Key messages
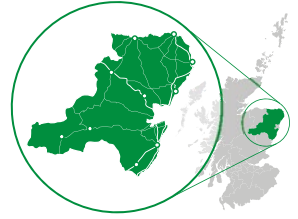
1 Since the last Best Value report in 2013, the pace of change has been slow in some key aspects of best value. In particular, the council has not used performance and benchmarking data effectively and its approach to self-evaluation has been inconsistent. Despite this, the council's monthly reputation tracker regularly shows high public satisfaction with most services. Decisive political and managerial leadership is needed to increase the pace, depth and continuity of improvement needed to demonstrate best value.

2 There are positive working relationships between officers and members and political decision-making is consensual. Council priorities are, however, vague and not sufficiently focused, and the council has been slow to develop a performance framework. The council reviewed its scheme of governance and implemented new scrutiny arrangements. After a slow start, scrutiny has improved but more challenge is required from elected members to drive improvement.

3 Over the past five years, there has been some improvement in the council's performance against national benchmarking indicators. The council performs above the Scottish average for pupils gaining five or more awards at Level 5, but educational attainment is poor for more disadvantaged pupils. Management of void housing is also an area of poor performance.

4 A more strategic approach to workforce planning is required to assist the council in addressing the challenges it faces including an ageing workforce and supply shortages in areas such as teaching and social care. Although the pace of improvement has recently increased with the development of a workforce strategy, this is high level and lacks detail on how the council plans to develop a workforce capable of meeting existing and changing demands.

5 Area working is fundamental to the way the council operates and it is embedded within its culture. Six area committees run alongside the four policy committees providing a vital connection with local communities, community planning groups and the community asset transfer process.

6 The council regularly engages with communities on a range of significant matters, but there is less evidence to demonstrate the active involvement of communities in decision-making. There is a complicated landscape of local-level plans with inconsistent timescales for delivery. This makes it difficult for the Community Planning Partnership to demonstrate whether outcomes for local communities are improving.

7 Partnership working is a strength at the council. It works well with partners on the Regional Economic Group, City Region Deal, and Health and Social Care Partnership. In response to the Covid-19 pandemic, partners promptly established the Grampian Coronavirus Assistance Hub which effectively coordinated the volunteer response to support the vulnerable in the community.

8 The council has had a relatively stable financial position but the rising cumulative funding gap has been exacerbated by the impact of the pandemic. Stronger leadership is required from elected members to establish fewer, clearer priorities, focus on what is most important, and increase its pace in delivering more ambitious outcomes for its communities.

Part 1

Does the council have clear strategic direction?
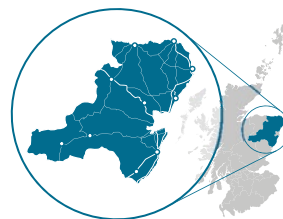
The council's high-level priorities are vague and not sufficiently focused.

There are positive working relationships between officers and members and political decision-making is consensual.

Area working is fundamental to the way the council operates and it is embedded within its culture.

Scrutiny has improved but further challenge is required by elected members to drive improvement.

Aberdeenshire Council covers a large rural area, with an increasingly ageing population and pockets of deprivation

6. Aberdeenshire is the fourth largest council in terms of land area, covering 2,437 square miles, or eight per cent of Scotland. The total population is 261,470 of whom 55 per cent live in either remote small towns or a rural setting according to the Scottish Government Urban/Rural Classification. The remainder of the population live in a number of small towns – there are only six settlements with more than 10,000 residents – the largest being Peterhead in north Aberdeenshire with a population of 19,270. Providing services that meet the needs of different remote and rural communities is a challenge for the council.

7. Since 2008, the population has increased by 5.9 per cent, the ninth highest increase in Scotland and greater than the increase for Scotland as a whole. The total population of Aberdeenshire is expected to increase by around 2.5 per cent to 2028, which is slightly above the Scottish average. Exhibit 2 (page 11) shows an analysis of the expected population change by age band and highlights that there is expected to be significantly greater than average increases in both the population above pensionable age (seven per cent) and those aged 75 and over (40 per cent).

8. Aberdeenshire is one of the most economically prosperous areas of the country based on gross value added (GVA) per head of population and is in the top 15 per cent of local authorities in the UK. Employment, employment benefit and business survival rates are all better than the Scottish average. While the energy sector remains a key element in the economic success of the area, fluctuations in the price of oil can have a significant impact on the local economy.

Exhibit 2
Projected population change 2018–28
Total population increase is slightly above the national average, but significantly higher for those over pensionable age and over 75.
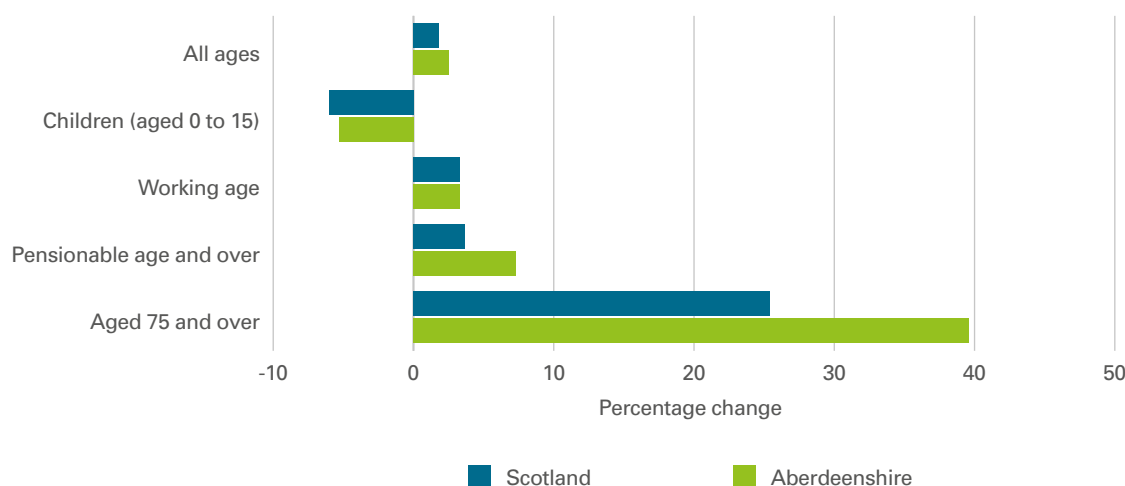
Source: National Records of Scotland

The prolonged low price of oil between 2014 and 2016 resulted in the loss of a significant number of jobs in the area, and adversely affected the local housing market and the hospitality industry. Exhibit 3 (page 12) shows the decline in the GVA for the region in this period compared with the position for both the UK and Scotland. Other important sectors in the area include agriculture, fishing and manufacturing.

9. Average household income in Aberdeenshire is £44,174 per annum, significantly higher than the Scottish average of £36,031. Overall, Aberdeenshire experiences low levels of deprivation but the 2020 Scottish Index of Multiple Deprivation shows that nine data zones in Banff and Buchan and Buchan (five in Fraserburgh and four in Peterhead) are among the 20 per cent most deprived in Scotland although there are also pockets of deprivation in the towns of Banff and Macduff. This means that three per cent (around 7,800) of the total population live in areas classed as among the 20 per cent most deprived in Scotland.

10. The council has a full-time equivalent (FTE) workforce of 10,500, an increase of 1,200 or 13 per cent since 2008. Aberdeenshire is one of only two councils in Scotland to see an increase in the FTE workforce in this period. This can be largely explained by the fact that Aberdeenshire does not have any arm's-length external organisations and therefore has not seen large numbers of staff transfer out of the council workforce.

There are positive working relationships between officers and members and political decision-making is consensual

11. The council is large with 70 elected members, representing 19 multi-member wards. Political administration is led by a coalition between the Scottish Conservatives (18 members), Scottish Liberal Democrats (14 members) and

Exhibit 3
Gross value added per head of population
The local economy is strong, but the low oil price between 2014 and 2016 had a significant impact.
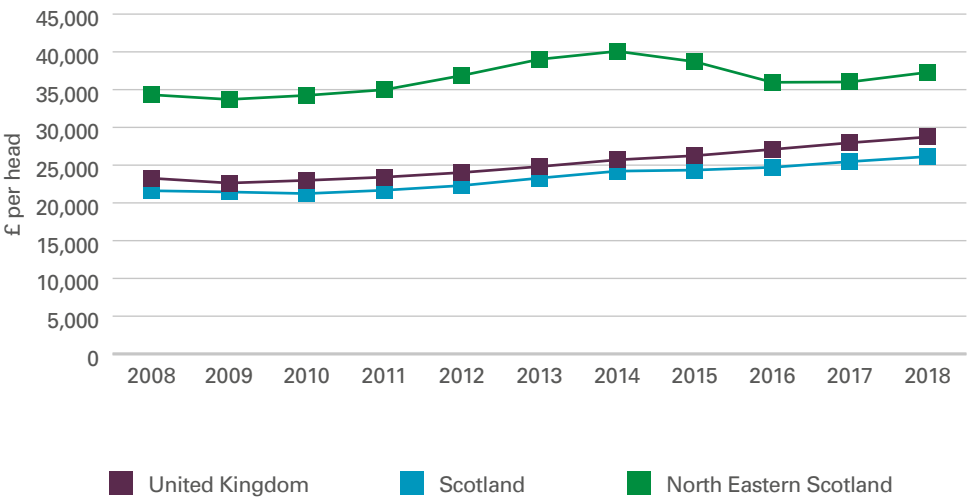
Source: Office for National Statistics

Aligned Independents (9 members). Different combinations of this political grouping has led the council since 2007, apart from the period between June 2015 and May 2017, when a coalition of the Scottish National Party and Progressive Alliance (Scottish Labour and Progressive Independent) was in power.

12. In March 2015, the council established a Future Governance Working Group to make recommendations for a new Scheme of Governance including standing orders and financial regulations. The new arrangements, implemented in January 2017, included four policy committees, six area committees and an audit committee.

13. The Strategic Leadership Team (SLT) of the council comprises the chief executive, three directors, head of finance, head of legal and governance, chief social work officer and the chief officer for the Aberdeenshire Integration Joint Board. Although there have been some changes in membership, such as the director of education, there has been good continuity in the SLT since the chief executive's appointment in November 2014.

14. The chief executive meets on a weekly basis with administration group leaders and with all group leaders in advance of council meetings. Directors also meet regularly with their committee conveners. Councillors we interviewed said that they had good access to officers and working relationships are respectful and constructive.

15. The Policy Budget Steering Group (PBSG) is a key working group of administration members that regularly meets with senior officers to discuss policy and budget strategies and options for potential savings. The group meets on a monthly basis and more frequently as budget-setting day approaches. A similar group has recently been introduced for opposition members. This has increased transparency by providing the opportunity and information to better enable alternative political group budgets to be developed.

16. The council supports the use of cross-party member officer working groups to enable fuller consideration of significant issues. This creates space to develop options and make recommendations to policy committees and/or full council. This way of working effectively assists the council in consensus decision-making. From our observations of council and committee meetings, we found respect and good behaviour to be evident and that there was general agreement on most matters.

17. The scopes of some examples of recent working groups included:

- developing the office space strategy

- considering options for a culture and leisure business unit

- assessing area working

- developing and monitoring a waste management strategy.

The council has agreed high-level priorities but these are vague and not sufficiently focused

18. Following the local election in May 2017, and the establishment of a new council administration, a Council Plan for 2017-22 was agreed by the council in November 2017. The plan includes 11 priorities that were allocated to the council's policy committees for monitoring. It was over a year later before the committees had all agreed outcome measures in respect of their allocated priorities.

19. The plan was initially developed from the administration's manifesto and was informed by annual strategic and economic assessments. There was extensive public engagement involving a residents' online survey, citizens' panel and various community engagement events.

20. However, the agreed priorities and expected outcomes are somewhat vague and lack a clear focus as to what they are intended to achieve (Exhibit 4, page 14). Although the plan was unanimously accepted by the council, it is difficult to demonstrate what was intended and to measure progress. This was a view supported by some elected members we met who suggested that the priorities could be refreshed and made more explicit.

21. The council's general approach has been 'business as usual'. It continues to deliver existing services and although it has experienced financial challenges, these have not been of a scale that has required a significant reduction in the cost base. The council has balanced budgets with minimal change and residents regularly indicate high levels of satisfaction with the services provided (paragraph 40, page 21).

Exhibit 4
Council priorities and outcomes
The council agreed 11 priorities in November 2017.

Priorities	Outcomes
Support a strong, sustainable, diverse and successful economy	• An economy that enables new and existing businesses and our core industries to thrive • Accessible employment in areas of traditional rurality reducing need to travel long distances to get to work • Vibrant town centres that are evolving to enable living • A protected natural and well-maintained built environment • An area with resilience to economic and geopolitical changes and decarbonisation.
Have the best possible transport and digital links across our communities	• Economic growth based on excellent digital connectivity that supports local and new businesses to thrive and expand • Improved connections within and between communities, increasing accessibility of the sustainable transport network and maximising its effectiveness and safety • Access to fast and robust digital connectivity for all our communities no matter how rural they are.
Provide the best life chances for all our children and young people by raising levels of attainment and achievement	• Our young people can achieve their best by having access to the right opportunities for them having gained the right skills and attainment when they leave school or other educational settings • Our young people have developed resilience and skills for life and work.
Work with parents and carers to support children through every stage of their development	• Parents/carers, children, schools and organisation have clear expectations at every stage of their educational journey and child focused support is provided • Vulnerable children and families are supported at the earliest opportunity.
Encourage active lifestyles and promote well-being with a focus on obesity and mental health	• We will encourage the people of Aberdeenshire to live a better-quality life • We will promote sport, physical and cultural activity to build stronger communities • We will encourage employees live a better-quality life.
	Cont.

Priorities	Outcomes
Have the right mix of housing across all of Aberdeenshire	• There will be an increase in the supply of affordable housing • There is greater participation from private landlords and individuals and families spend less time on council waiting list • There is an increased supply of the right mix of good quality, affordable, appropriate and adaptable housing with an emphasis on reducing fuel poverty and increasing use of alternative energy sources.
Support the delivery of the Health and Social Care Strategic Plan	• The best of health and care for everyone.
Work to reduce poverty and inequalities within our communities	• Confident communities shaping the services they need • Communities are confident, resilient and inclusive • Individuals feel secure and in control of their circumstances.
Deliver responsible, long-term financial planning	• We live within our means and use public money to maximise outcomes for our communities • Our assets, property and land are managed to the best financial effect, supporting delivery of our priorities and service ambitions in the medium to long term.
Have the right people, in the right place, doing the right thing, at the right time	• One Aberdeenshire, people working effectively with each other across public services and across communities • Staff working close to the communities they serve, making decisions based on local need.
Protect our special environment, including tackling climate change by reducing greenhouse gas emissions	• Effective management, protection and promotion of the natural environment for the benefit of all • The best protection, management and promotion of the historic environment for the benefit of all • Sustainable waste management systems that promotes zero waste and reduces our climate change emissions • Enhanced transport connectivity and reduced congestion for businesses, communities and visitors • Reduction in the numbers of collisions on the road networks in Aberdeenshire • Decarbonised council fleet.

Source: Aberdeenshire Council

Area working is fundamental to the way the council operates and it is embedded within its culture

22. The council has an area management structure including six area committees – Banff and Buchan, Buchan, Formartine, Garioch, Kincardine and Mearns and Marr – each supported by an area manager, area team and area-based services. Area committees sit alongside policy committees in the council's structure (Exhibit 5).

23. According to the scheme of governance, the key purpose of each area committee is to 'determine matters which directly affect their area and make recommendations to policy committees on strategic matters and council policy'.

Exhibit 5
Council committee structure
The council has a committee structure which includes four policy committees, six area committees and an audit committee.
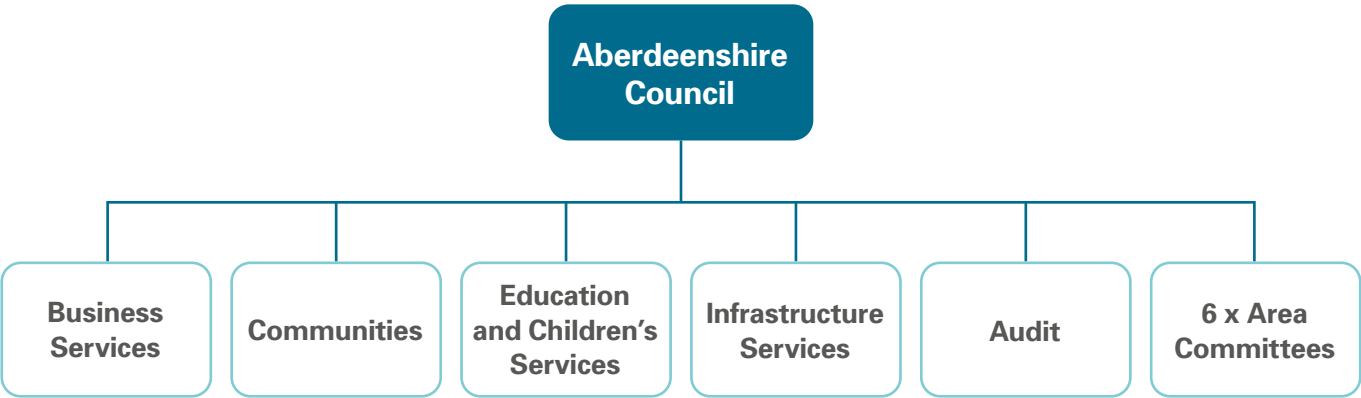
Note: The council's committee structure also includes a range of miscellaneous committees, including sustainability, procedures, appeals and appointments, and statutory boards.

Source: Aberdeenshire Council

24. The area structure provides an important link between the council and communities and there is recognition that each area has different challenges and needs. From our meetings with both members and officers, it is clear that there is a strong commitment to the principle of area working.

25. In recent years, the council established a member-led area improvement working group which considered the cultural and behavioural aspects of area working and made recommendations for improvement. While this has been a challenging process due to different points of view, consensus has been reached with further work in progress to implement the agreed action plan.

Area committees have a wide-ranging remit that enhances the council's policy-setting arrangements

26. A core element of area committee business is consideration of local planning applications, but committees are also consulted on service issues in their area, provide feedback on new and proposed policy changes by policy committees and review performance information. Exhibit 6 (page 18) illustrates the range of matters that can be referred by policy committees to area committees based on 2019/20 business.

27. A key role of area committees is responding to policy committee consultations on new policies or proposed policy changes. This ensures that all members have a chance to contribute to policy development across all aspects of council business before final approval of the relevant policy by policy committees. Recent examples of policy consultation included the counter fraud strategy, the local development plan and the waste management strategy.

28. Area committee comments are presented as an appendix to the policy committee papers, along with responses from officers to show how comments were considered and any action taken as a result. Most comments from area committees highlight issues to be considered but do not result in substantive changes to policies. In some cases, however, comments have led to changes being made to better reflect local need. For example, additional seasonal garden waste collection points were included following comments on the draft waste strategy.

After a slow start, scrutiny has improved but further challenge is required by elected members to drive improvement

29. As part of the 2017 Scheme of Governance, the council introduced a new way of working intended to involve all members in scrutiny. Policy committees and the audit committee can refer matters to elected members for further scrutiny and can request anything from a report to a full investigation.

30. The audit committee can refer concerns to the relevant policy committee for investigation and reporting back, such as areas for improvement identified by the internal auditor in relation to risk and internal control. Examples of referrals made include controls over income and expenditure in primary and secondary school visits, building maintenance stores and payroll procedures. Case study 1 (page 19) sets out an example of a scrutiny referral relating to the council's property repairs contract. This is a significant but challenging contract which encountered problems. However, a solution has been found to ensure continuity of service delivery. In addition, policy committees are required to undertake formal scrutiny in their service areas. While committees request further reports, there is limited evidence of formal scrutiny being undertaken.

31. Elected members are well supported in understanding particular issues or complex matters through the provision of member briefings, workshops and informal sessions. This provides the opportunity for clarification on technical matters, and the ability to ask questions in a safe environment. It can, however, mean that the level of public scrutiny is reduced. While there is an appetite from elected members to be briefed through informal channels, it is important that a balance is maintained to ensure that there is effective public scrutiny and

Exhibit 6
Area committee business 2019/20
Area committees consider a wide range of business.

Area	Business Services	Education and Children's Services	Infrastructure Services	Health and Social Care Partnership
Banff and Buchan	(£) Sale of site, Harbour Road, Fraserburgh	☑ Sandhaven Primary School inspection report	👥 Fraserburgh Harbour Masterplan	☑ Minor Injuries Review – changes in Banff 'out of hours' services
Buchan	👥 Arrangements for the appointment of Area Manager	(£) Relocation of Peterhead Academy	💬 Public petition for a pedestrian crossing in Longside	☑ Quarterly performance information
Formartine	👥 Approval of Procurement Plan for area related contracts	☑ Review of attainment in Formartine secondary schools	☑ Scrutiny review of Traffic Management policy – speed limit	☑ Quarterly performance information
Garioch	👥 Consultation on Counter Fraud Strategy	👥 Review of Inverurie Primary School Catchment Areas	💬 Feedback on Westhill Strategic Needs Assessment	👥 Consultation on Dementia Strategy
Kincardine and Mearns	(£) Workspace office strategy – Stonehaven Gateway	☑ Newtonhill Primary School inspection report	(£) Agreement of Infrastructure Services Works Programme 2020–21	☑ Quarterly performance information
Marr	👥 Award of small Grant applications	(£) Consultation on proposed closure of Strachan School	💬 Cairngorm National Park Action Plan – consultation response	☑ Quarterly performance information

Key

👥 Local decisions	👥 Consultation by policy committee	💬 Community engagement/ consultation	(£) Capital and revenue decisions	☑ Service performance

Source: Aberdeenshire Council

challenge. This equally applies to scrutiny of performance including financial performance. This matter has previously been raised by the external auditor ⊕ and acknowledged by the council.

32. At the last election in May 2017, more than 50 per cent of the members were elected for the first time. The council put robust arrangements in place for members' induction and provided a comprehensive programme of training. The council also makes an extensive range of training modules available online for both officers and elected members. Although there is an appetite for informal briefings and workshops, these are often poorly attended. Steps have been taken to provide more online training and to arrange sessions around scheduled council business but further improvement in attendance is required.

33. Members are required to undertake at least five days of continuing professional development (CPD) per year. They have a responsibility to take advantage of the training opportunities provided, to ensure that they are equipped with the knowledge and skills and that their training and development plans are regularly updated. However, levels of recorded CPD show that in 2019/20, 57 per cent of elected members completed less than nine hours of CPD. Only eight elected members (11 per cent) completed the required five days of CPD. The council planned to set up a councillor CPD focus group to reinforce the relevance of training and better understand the barriers to engagement with training. This work was put on hold owing to the Covid-19 pandemic but will be resumed at an appropriate time.

Case study 1

Property repairs contract

In 2017, the council entered into a five-year contract with a potential overall value of £65 million for facilities management (Hard FM) services which encompasses reactive, planned maintenance and lifecycle replacement works in all council property, including social housing. Previously the council managed around 60 separate local contracts in various locations throughout Aberdeenshire. The council wanted to focus more on improving delivery standards and by moving to one contract rather than 60, it would spend less time on contract management and reduce tendering costs. Although the approach was approved by the council's Policy and Resources Committee, some elected members were not supportive of the change to a single contractor because it required a shift away from local suppliers.
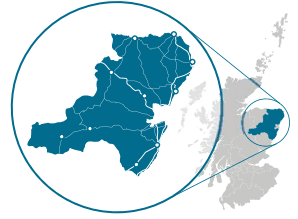
In the first year, the contractor experienced difficulties in managing reactive repairs. Low performance levels were achieved and, as a result, the contractor incurred penalties. Contract monitoring was undertaken by the Business Services Committee, further scrutiny was undertaken by the Communities Committee and, following an internal audit review, the Audit Committee initiated a Scrutiny Referral Review. The review was undertaken between November 2019 and May 2020 (having been delayed owing to Covid-19).

In the interim, the council and the contractor held regular contract monitoring meetings in order to resolve the issues being experienced. The required contract performance levels were achieved by January 2020.

The council has historically experienced challenges with this service. In the past, the service was let as two contracts, more recently as a range of agreements with local suppliers and now as a single contract. Because the council covers a large geographical area, difficulties have been experienced with all contract options. The council has worked well with the contractor to continue the service for the period of the contract. Lessons learnt from monitoring and from the scrutiny process will inform the next procurement exercise.

Source: Aberdeenshire Council

Part 2

How well is the council performing?

With performance slightly better than the Scottish average, there has been some improvement against national indicators over the last five years. The council's performance is, however, poor in important areas such as educational attainment for more disadvantaged pupils and the management of void housing.

The council has been slow to develop a performance framework to report progress on council priorities. Reports are comprehensive but progress is difficult to assess.

The council should use benchmarking targets and family grouping data to support improvement activity.

Most services consistently receive high scores on the council's monthly satisfaction reputation tracker.

The council has been slow to develop a performance framework to report progress on council priorities

34. Following agreement of the council priorities in November 2017, two policy committees agreed delivery plans, outcomes and outcome indicators to support the priorities in spring 2018 but it was not until March 2019 that a performance framework was finally agreed by all four policy committees. This led the way for committees to receive the first suite of performance reports against council priorities. Initial reports covered the financial year 2018/19 but were limited to an update against agreed actions. The intended reporting cycle is six-monthly and the first round of such reports was presented to policy and area committees between November 2019 and January 2020.

Six-monthly reports are comprehensive but progress against council priorities is difficult to assess

35. Responsibility for council priorities was allocated across the four policy committees. The six-month performance reports are comprehensive and include a high-level summary, a number of related indicators and detailed narrative on different initiatives being taken forward to deliver the priority.

36. While a range of information is provided, it is difficult to determine if progress has been made as intended owing to the absence of specific milestones and targets. As the priorities themselves are vague in what they are intended to achieve, this has made it hard for the council to identify a clear set of targets that can be monitored. It is acknowledged that the council is at an early stage in producing such performance reports and it is likely they will continue to evolve; however, more work is required in setting clear priorities and deciding how progress will be demonstrated.

37. Since December 2019, area committees have also started to receive six-monthly performance reports. In effect, each area receives four reports, one in respect of each policy committee's service responsibilities, but much of the information is reported at council level and is not yet provided by area. It therefore duplicates the data already presented to the relevant policy committee. While this is an important development, it is at an early stage and more work is required to streamline the process and analyse data to enable appropriate performance reporting at area level.

The Strategic Leadership Team regularly reviews performance information including the monthly satisfaction reputation tracker

38. The Strategic Leadership Team (SLT) reviews a suite of 46 council indicators reported on a quarterly basis over four key areas: delivery of priorities, finance, people, and reputation. Where appropriate, further background briefings are requested. Our review of these indicators identified that 76 per cent were on target but 61 per cent were on a downward trend.

39. The council uses a third party market research company to produce a monthly reputation tracker. Based on 150 interviews per month (25 in each council area), the tracker gauges the public's level of satisfaction with the council. It is regarded as a significant indicator of service delivery and is an important aspect of strategic decision-making in relation to performance management. The results are routinely considered by SLT, made available to elected members and are posted on the council's website.

40. For 2018/19, overall satisfaction levels were high with 90 per cent of respondents satisfied with services provided by the council, although this was down slightly on the levels reported between 2013/14 and 2017/18. Satisfaction with individual services also rated highly, with only roads maintenance scoring below 50 per cent, although satisfaction has increased over the year. Most services achieve ratings over 90 per cent and levels remained broadly similar between 2017/18 and 2018/19 (Exhibit 7, page 22).

41. The council produces an annual complaints report which contains several indicators, such as numbers of complaints received, response times and outcomes. Analysis of the total number of complaints received since 2013/14 shows that the level has remained at around seven per 1,000 of the population.

Based on national indicators, performance is slightly better than the Scottish average

42. The Local Government Benchmarking Framework (LGBF) 🖥 allows councils to compare their performance with the Scottish average on a variety of indicators. As part of the LGBF, councils with similar demographic characteristics

Exhibit 7
Council reputation tracker – satisfaction with services
The council's own performance information indicates that there are high levels of satisfaction with services.
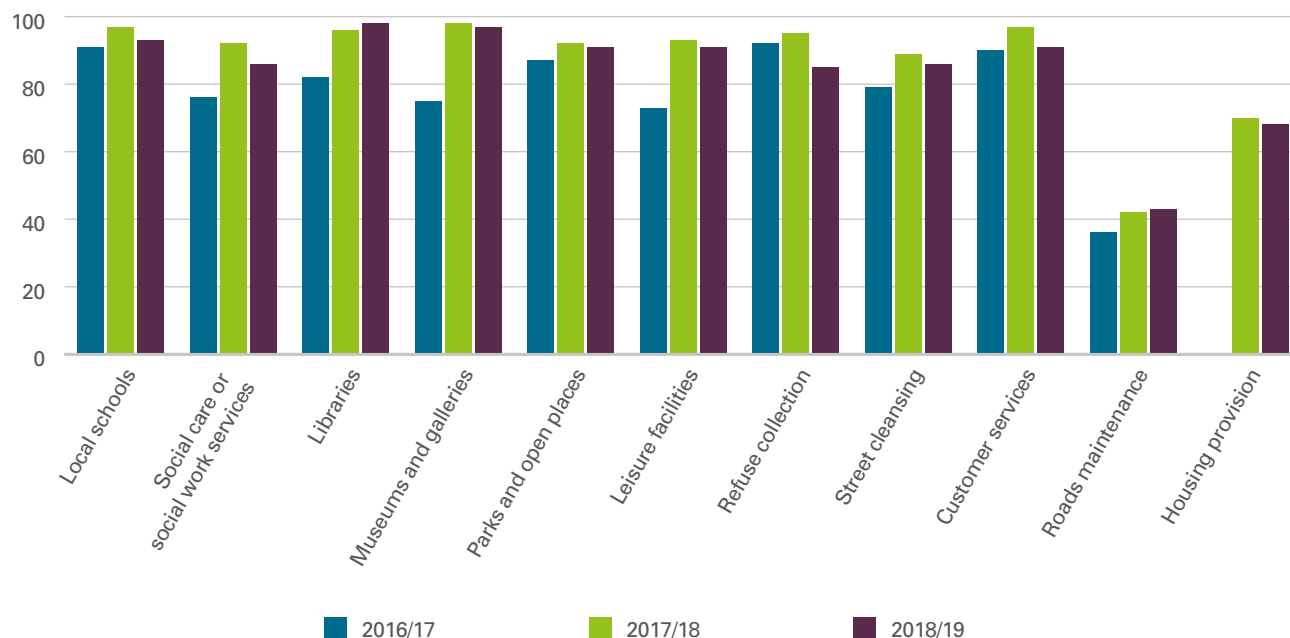
Note: No data for housing services in 2016/17

Source: Aberdeenshire Council reputation tracker

have been grouped into family groups so they can share good practice and work together to improve services. For LGBF, the council aims to achieve 50 per cent or higher within the top two quartiles, and to be a consistent, solid performer.

43. In April 2020, there were a total of 73 indicators for which 2018/19 data was available. As shown in Exhibit 8 (page 23), Aberdeenshire Council was better than the Scottish average on 53 per cent of these. However, when the council was compared against its family group for the same indicators, we found that on only 48 per cent of indicators was the council better than the family average.

Performance in educational attainment is a mixed picture with poorer results for more disadvantaged pupils

44. The council is improving on educational attainment when compared to other councils with similar levels of deprivation. It is above the Scottish average for pupils gaining 5+ awards at Level 5 and fifth out of eight in its family group (Exhibit 9, page 24). Although the council has relatively low levels of deprivation, attainment in areas of deprivation is poor, with the council ranking as one of the lowest in Scotland for pupils from deprived areas gaining 5+ awards at Level 5. The council is also below the Scottish average on the average tariff score and ranks seventh out of eight councils with similar levels of deprivation.

45. The percentage of P1, P4 and P7 pupils combined achieving expected Curriculum for Excellence (CfE) level in literacy is below the national average, although the percentage of P1, P4 and P7 pupils combined achieving expected

Exhibit 8
Performance against LGBF indicators
In 2018/19, Aberdeenshire performed slightly better than Scottish average, but less well against its family group.
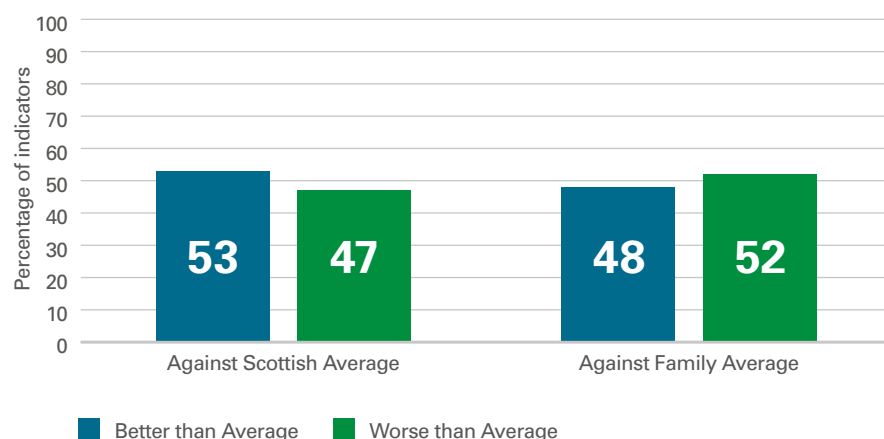
Note: Family Group for Children, Social Work and Housing indicators is based on levels of deprivation and comprises Aberdeen City, Aberdeenshire, City of Edinburgh, East Renfrewshire, East Dunbartonshire, Orkney Islands, Perth and Kinross and Shetland Islands councils.

Family Group for Environmental, Culture and Leisure, Economic Development, Corporate and Property indicators is based on rurality and comprises Aberdeenshire, Argyll and Bute, Dumfries and Galloway, Eilean Siar, Highland, Orkney Islands, Scottish Borders and Shetland Islands councils.

Source: Audit Scotland analysis of LGBF data

CfE level in numeracy is slightly above the average. Although the council has had long-standing issues with teacher recruitment (Case study 2, page 31), which may be impacting on its educational performance, other rural councils face similar challenges.

46. Further analysis of the indicators shows that the council consistently performed above the Scottish average for pupils entering positive destinations after school with the council ranked fifth overall among all Scottish councils. The council is also above the national average in terms of resident satisfaction with local schools, although it ranks sixth out of eight when compared against other councils in its family grouping.

47. Although the Education and Children's Services Committee receives regular reports on educational attainment which highlight areas of underperformance, these reports do not routinely provide information on action being taken by the service to address matters. The use of benchmarking data and comparison against the council's family group would provide elected members with a more rounded picture of the council's relative performance.

48. We also matched LGBF indictors with the council's priorities and found that there was poorer performance on the priority indicators to 'provide the best life chances for all our children and young people by raising levels of attainment and achievement' and 'work to reduce poverty and inequalities within our communities'. The council's six-monthly reporting against priorities would provide a more balanced account of performance if set in a national context and included information relative to the family grouping.

Exhibit 9
Aberdeenshire Council's performance against LGBF educational attainment indicators
The council's performance shows signs of improvement against the Scottish average but does less well against the family group.

LGBF indicator	Year	Council	Scotland	Ranking: Scotland (out of 32)	Ranking: Family (out of 8)
CHN4 % of Pupils Gaining 5+ Awards at Level 5	**2018/19**	**66%**	**63%**	**9**	**5**
	2016/17	62%	60%	11	6
	2014/15	54%	57%	22	7
CHN6 % of Pupils from Deprived Areas Gaining 5+ Awards at Level 5 (SIMD)	**2018/19**	**30%**	**44%**	**27**	**6**
	2016/17	37%	43%	22	4
	2014/15	22%	38%	28	6
CHN12a Overall Average Total Tariff	**2018/19**	**873**	**892**	**15**	**7**
	2016/17	865	906	21	7
	2014/15	845	874	17	6
CHN13a % of P1, P4 and P7 pupils combined achieving expected CFE Level in Literacy	**2018/19**	**71%**	**72%**	**21**	**5**
CHN13b % of P1, P4 and P7 pupils combined achieving expected CFE Level in Numeracy	**2018/19**	**80%**	**79%**	**12**	**4**

Source: Audit Scotland analysis of LGBF data

There has been some improvement against the Scottish average over the last five years

49. Performance relative to other councils can be gauged by considering how all councils are performing, from highest to lowest for each indicator, and dividing relative performance into four equal bands or quartiles. Quartile 1 contains the best-performing councils and quartile 4 contains the poorest-performing councils. We have identified 43 indicators, mainly outcomes based, that are measured over a single year and which have been reported each year between 2015 and 2019. For 2018/19, Aberdeenshire Council is in the top two quartiles for only 47 per cent of those indicators. shows that while the council has consistently had more indicators in the lower two quartiles, there has been a slight increase in performance over the five-year period.

Exhibit 10
LGBF performance over time
Performance has been consistent over the last 5 years, with little sign of significant improvement in rankings.

	2014/15	2015/16	2016/17	2017/18	2018/19
1st quartile	20.9	16.3	18.6	20.9	14.0
2nd quartile	18.6	25.6	23.3	20.9	32.5
3rd quartile	25.6	25.5	27.9	34.9	27.9
4th quartile	34.9	32.6	30.2	23.3	25.6
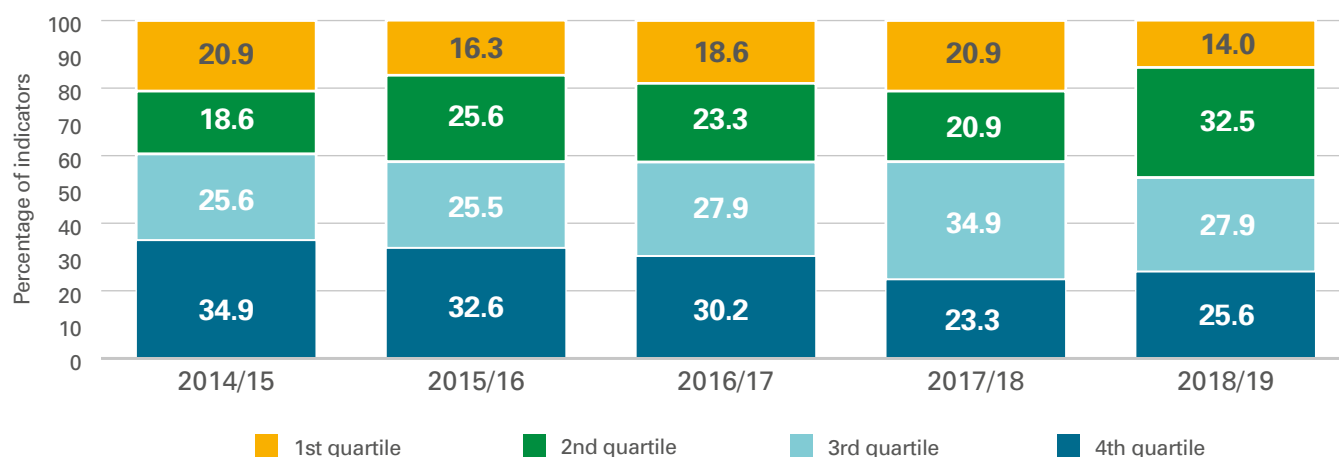
Source: Audit Scotland analysis of LGBF data

50. There is some evidence to suggest that the council's direction of travel is slowly improving. Of these 43 indicators, 49 per cent have improved compared with 2014/15 whereas only 35 per cent have declined (the remainder staying at the same level). The proportion of those below average in 2014/15 and had improved by 2018/19 is higher than the proportion of indicators that were above average in 2014/15 and declined over the same period.

51. Further, 23 out of 43 indicators have not changed quartile since 2014/15. Of those that have changed quartile, slightly more have improved than declined. The council's most improved indicators relate to economic development, for example average time taken to process business and industry planning applications and the percentage of unemployed people assisted into work. There is more of a mix of indicators which have declined in the period, for example rent loss due to voids, street cleanliness score and child protection re-registrations.

52. Combining these 43 indicators into the LGBF service categories for 2018/19 shows that the council performs well in corporate services, economic development and environmental services. Better performing indicators include sickness absence rates for non-teachers and road maintenance. The analysis also shows that the council's performance was poorer for children's services and housing. Specific indicators with poorer performance included educational attainment, rent loss due to voids and time taken to complete non-emergency housing repairs.

The council should use benchmarking targets and family grouping data to support improvement activity

53. Although links to the LGBF website are provided via the council's website and annual performance reports, and LGBF data is made available to members, there is little evidence to demonstrate that the council routinely uses benchmarking

targets and family grouping data to identify areas for improvement. Annual performance reports do not provide any benchmarking context against which the council can be judged.

54. Following the issue of the 2018/19 LGBF dataset in January 2020, each director was asked to scrutinise service specific data and agree actions for improvement in relation to indicators performing below the Scottish average especially if such actions would support delivery of the council's priorities. Plans are in place to provide policy committees with a review of relevant LGBF indicators including an action plan where necessary. In addition, the audit committee will receive an overview report with the action plan.

The council performs well against Community Planning Outcome Profile (CPOP) indicators

55. The Community Planning Outcome Profile (CPOP) *(i)* is a set of core measures which help assess if the lives of people in a community are improving. Aberdeenshire performs well against the 18 CPOP indicators.

56. The council performs better than both the Scottish and family group averages in 11 indicators and worse in only two indicators – median earnings and fuel poverty. The council performs well in areas such as economy (employment rate and business survival), health (birthweight, emergency admissions) and child poverty.

The Scottish Housing Regulator has highlighted areas of poor performance

57. The Scottish Housing Regulator has identified that the council rates poorly in a number of service satisfaction indicators. Only 67 per cent of service complaints are resolved to tenants' satisfaction, compared with the national average of 88 per cent.

58. The housing service coordinates improvement activity through the Housing Continuous Improvement Group. We noted improved tenant participation through the introduction of a new strategy and increased opportunities to engage with tenants such as involvement in the recently formed scrutiny and communications working groups.

59. The average time taken to relet empty homes is 55 days, significantly higher than the national average of 32 days. The council adopted a flexible approach with such properties to reflect the rurality of the area and the unpredictability of the location of void properties. The service is however in the process of undertaking a review, scheduled to conclude in summer 2020, which is examining the arrangements for reletting empty properties.

i

The Community Planning Outcome Profile (CPOP)

The CPOP family group compares councils with similar levels of deprivation

Aberdeen City, Aberdeenshire, City of Edinburgh, East Dunbartonshire, East Renfrewshire, Orkney Islands, Perth and Kinross and Shetland Islands.

Source: CPOP

Part 3

Is the council using its resources effectively?
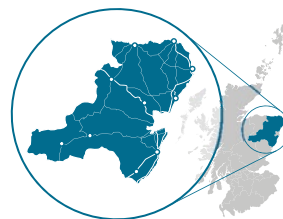
The council has had a relatively stable financial position but the rising cumulative funding gap, exacerbated by the impact of the pandemic, will require stronger leadership from elected members.

The council has been slow to develop a strategic workforce plan. Despite a range of initiatives, teacher recruitment and retention remain a challenge.

The council approved a carbon budget to support its climate change commitments.

The council's medium-term financial strategy provides a good basis for financial sustainability

60. The council has developed a five-year medium-term financial strategy (MTFS) to ensure 'a structured approach to financial planning across services and a complete view of the revenue budget, capital plan and council reserves allowing the council to consider and plan the full financial impact on decisions taken now on next year's budget and an indication of the impact on future years'. The MTFS is best described as an overarching set of principles to be followed in the budget-setting process rather than a clearly documented strategy. The council does not have a longer-term financial strategy.

Five-year revenue budgets are prepared and reviewed each year

61. Through the MTFS and effective financial management, the council has been able to meet budget shortfalls in recent years. The council has not experienced the same level of financial challenges as some other councils. It has not, for example, been required to make difficult financial decisions involving significant service reduction or large scale voluntary release schemes.

62. With rising demand for services, increasing cost of services and reductions in local government funding, it is becoming more difficult for the council to maintain services based on current operating models.

63. The council prepares detailed indicative five-year revenue budgets, which are approved along with the annual budget each year. The most recent revenue budget identified a cumulative five-year funding deficit of £63.5 million and highlighted that 'additional savings identified within the MTFS process for future

years have not yet been applied to these years' budgets leaving them currently out of balance'. Although the council has identified provisional savings, they are not included until formally agreed. There is scope to provide clarification in the budget report on the likely extent of the expected shortfall at that point.

64. The financial impact on the council of the lockdown during the pandemic was approximately £8 million for the quarter April to June 2020 attributable to a combination of lost income, additional costs and unrealised savings. The council has suggested that the impact for the financial year 2020/21 could therefore be in the region of £30 million. In common with other councils, Aberdeenshire is considering potential options to achieve financial balance and this will require stronger leadership from elected members.

A 15-year capital plan is updated annually

65. A 15-year capital plan is prepared annually as part of the budget-setting process. In March 2020, the council approved £975 million of capital expenditure in the period to 2035. The plan is fully funded and sets out the revenue implications. Exhibit 11 provides a summary of planned expenditure and shows that a significant proportion of the council's planned investment will be spent in maintaining and enhancing the existing asset portfolio.

Exhibit 11
Capital plan summary 2020–35
The majority of capital expenditure is intended to be on enhancement of existing assets rather than development of new assets.

16%
Various smaller scale developments

10%
New schools/Early Years

6%
New offices and depots

6%
Energy from waste

32%
Asset enhancement

10%
New equipment

From Capital Plan 2020–2035 (March 2020)

20%
Roads, bridges and lighting enhancements

Source: Audit Scotland analysis of Aberdeenshire's Capital Plan 2020–35

Reserves have largely decreased due to planned use

66. One of the key measures of the financial health of a local authority is the level of reserves held. In the period since 2012/13, the council's total usable reserves have fallen by £26.9 million or 35.3 per cent. While this reflects planned use of both revenue and capital reserves, it also includes some unplanned use – largely additional contributions of £5.5 million to the Aberdeenshire Integration Joint Board (IJB) to meet the council's share of IJB revenue budget overspends. In common with other IJBs, these overspends are as a result of demand-led pressures and the IJB has been working with the council and NHS Grampian to refresh its medium-term financial strategy to address this.

67. The council reviews the level of its uncommitted reserves when setting the budget each year and in March 2020 agreed a minimum working balance of £9.0 million, representing 1.5 per cent of the 2020/21 net revenue budget, to be held as a contingency fund to meet unexpected expenditure. There is no prescribed minimal level of usable reserves. In setting a policy, councils take relevant risks into consideration but, typically, minimum uncommitted general fund balances are two to four per cent of net revenue budget.

68. Exhibit 12 presents the council's 2018/19 usable reserves position in relation to the gross cost of services in comparison with other Scottish councils for 2018/19. This shows that the council holds a low level of reserves in comparison with other Scottish councils.

Exhibit 12
Total usable reserves as a proportion of gross cost of services
Aberdeenshire Council has among the lowest levels of usable reserves in Scotland.

Source: Scottish councils' audited annual accounts (excluding Orkney Islands Council and Shetland Islands Council)

The council approved a carbon budget to support its climate change commitments

69. In 2019/20, the council approved its third carbon budget, alongside its revenue and capital budgets. The carbon budget sets carbon emission targets for each directorate, with the aim of reducing these in line with climate change target reductions set by the Scottish Government of 75 per cent by 2030 and net zero by 2045. Progress against the carbon budget is reviewed by the council's sustainability committee which is responsible for matters relating to sustainable development and climate change. We believe that Aberdeenshire Council is leading the way by budgeting for carbon reduction.

The council has been slow to develop a strategic workforce plan

70. The council has an ageing workforce, with 44 per cent aged 50 and over and only 10.6 per cent aged under 30. It also faces a range of recruitment and retention issues, mostly because of the rurality of the council area and competition with the oil and gas sector.

71. The council recognised that it needs to develop a more strategic and formalised approach to workforce planning. It began developing a new corporate workforce strategy, Our Future Workforce, in October 2018 which was approved by the Business Services Committee in February 2020. The strategy is a high-level document, setting out the council's overarching vision for its workforce. It is described by the council as a 'gateway document to formalising and commencing workforce planning in Aberdeenshire Council' and represents a first step towards a more strategic approach.

72. It is disappointing that the council did not take the opportunity to produce a more detailed and strategic corporate workforce strategy at that point. A significant amount of work had been undertaken by the strategy group to understand the workforce and this could usefully have been incorporated into the corporate strategy, for example, detail on the size and make-up of the current workforce, workforce challenges and initial thinking and projections of what the workforce should look like in the future to meet the changing demand for services.

73. Only the Aberdeenshire Health and Social Care Partnership produces a service-level workforce plan, which is updated annually. Other services have tended to carry out workforce planning as required, usually in response to specific recruitment and retention challenges. The council has also implemented a range of initiatives to improve teacher recruitment and retention (Case study 2, page 31).

74. Currently, there is little evidence of services planning their workforce in the medium to long term. The workforce strategy was accompanied by a revised workforce planning toolkit to assist services in putting workforce plans in place by March 2021. The toolkit provides guidance for services on effective workforce planning including the need for horizon scanning of what services will look like in the short, medium and long term in order that plans for workforce needs and skills can be developed.

Case study 2

Teacher recruitment and retention remains a challenge

Aberdeenshire has had longstanding difficulties with teacher recruitment and retention. In 2014, eight councils formed the Northern Alliance which was initially a forum to raise teacher recruitment issues with the Scottish Government. More recently it has become the northern Regional Improvement Collaborative (RIC). The council has experienced significant challenges with recruiting primary school teachers in the north of Aberdeenshire (Banff, Huntly, Fraserburgh and Peterhead). Across Aberdeenshire there is also a shortage of secondary school teachers for maths, science, home economics and technical subjects.

The council has implemented a range of initiatives to address the challenge of teacher recruitment with some success.

- The Distance Learning Initial Teacher Education (DLITE) programme is a partnership with the University of Aberdeen. It allows Aberdeenshire residents to do their primary teacher training part-time over 18 months including an 18 week placement in an Aberdeenshire school. DLITE has been running since 2014 and won a COSLA Excellence Award in 2017. Eight students commenced their year as a probationary teacher in August 2020 and ten new students started in January 2020.

- The Aberdeenshire Student Incentive Scheme for Teaching (ASIST) is also run in partnership with the University of Aberdeen. The four-year programme guarantees students two years employment in an Aberdeenshire secondary school after their probation year. Thirteen students recently completed the programme and moved into their probation year in August 2020.

- The council has used a relocation incentive scheme for teachers in addition to the corporate relocation scheme. This allows new teaching staff to claim a £5,000 advance with their first salary.

- In October 2019, the Director of Education and Children's Services used his delegated authority to share one head teacher across two primary schools. This approach has previously only been used when vacancies could not be filled but will now be routinely considered when a vacancy arises.

While teacher numbers have remained broadly stable since 2016, the council struggles to fill vacancies, particularly for unpromoted posts. For example, between October and December 2019, the council published 101 advertisements for unpromoted teaching posts (this may include vacancies advertised multiple times), but only filled 15 posts. Each year, probationer teachers make up approximately six to seven per cent of primary school teachers and two to four per cent of secondary school teachers. Schools work with probationers to encourage them to continue to work in Aberdeenshire and the council is considering further options to attract more local people into teaching.

Source: Aberdeenshire Council

The council is using Foundation Apprenticeships ⓘ to develop its future workforce, improve educational attainment and support the local economy

75. The council has a strong focus on encouraging recruitment of staff from within the Aberdeenshire area to 'grow its own' workforce. For example, it has worked with Robert Gordon University to develop Graduate and Foundation Apprenticeships.

76. In response to the national 'Developing the Young Workforce' agenda, the council has undertaken significant work to develop Foundation Apprenticeships. The council itself has appointed over 200 pupils as Foundation Apprentices, in a wide range of frameworks, from schools all over the area. In particular, in 2019/20 there were around 100 pupils undertaking Foundation Apprenticeships in Children and Young People, supporting Early Years provision. It is hoped that this will encourage these pupils to see this as a long-term career choice, in an area that the council has found hard to recruit to in the past.

Different approaches are being adopted to improve staff engagement

77. The council ceased staff surveys a few years ago as there was little change in the results year on year and opted to explore alternative approaches to staff engagement. Pathfinder, a new employee engagement survey, has been developed. This consists of a core set of nine corporate questions, plus additional service-specific questions. This was piloted with Business Services in early 2020. In addition, the council has a staff engagement strategy that is built around 'team talks'; not only do staff talk within their own teams but the chief executive, directors and other senior officers hold face-to-face and online events to engage with staff. During audit fieldwork, we met with trade union representatives and no issues of concern were raised with us.

78. In 2016, the council set up a staff working group to consider what it meant to be working as 'One Council'. This involved a series of interviews with a small number of staff from across the council. These highlighted a wider 'One Aberdeenshire' approach as to what employees valued in the way that the council worked with external partners to deliver services. At this stage it was decided to significantly upscale the level of staff engagement, with around 600 staff getting involved. In addition to more traditional interviews and workshops, staff engagement also took place via social media and Yammer.

79. This led to the development of a set of **One Aberdeenshire** ⓘ principles which set out the 'cultural aspirations' of the workforce. We identified strong support for these principles during our audit, including from trade unions and noted that their use is embedded in the recruitment process and appraisal discussions.

80. Since the Covid-19 outbreak, the council has used a staff mobilisation app to identify available staff with appropriate skills who can be redeployed to address increases in demand. This has helped in minimising additional cost.

ⓘ

Foundation Apprenticeships offer young people in S5 and S6 the chance to undertake a basic apprenticeship that mixes classroom learning (in school or college) with practical work experience in 12 national industry sectors. The apprenticeships are delivered as part of the S5/S6 curriculum alongside traditional Highers.

The aim is to provide young people with work experience in an area they are interested in and to help them to develop 'employability' skills. Successful completion of an apprenticeship is seen by all Scottish universities as equivalent in stature to a Higher and counts towards a council's tariff score.

Source: Aberdeenshire Council

ⓘ

The key principles of 'One Aberdeenshire' are:

- Everyone brings their 'best self' to work every day.
- We are clear about what is expected of us and ask for clarity if unsure.
- We take informed decisions as close to the action as possible.

Source: Aberdeenshire Council

The council's approach to procurement is achieving benefits

81. Aberdeenshire Council shares a procurement service with Aberdeen City Council and Highland Council. The shared procurement service commits to achieving £21 million in efficiency savings across the three councils over five years. Annual procurement reports outline that after three years, Aberdeenshire has achieved efficiencies of £5.6 million and therefore its target is on track to being delivered.

82. The council has completed two Procurement and Commercial Improvement Programme (PCIP) assessments. In the last assessment, carried out in 2018, the council's PCIP score increased from 71 per cent to 73 per cent. The council continues to operate in the top performance band (band F1).

83. Supporting local businesses in a key feature of the shared procurement service. Annual procurement reports show that the percentage level of spending with local businesses and local SMEs has remained relatively consistent between 2016 and 2019. The LGBF shows that in 2018/19, Aberdeenshire Council committed 28 per cent of procurement spend on local enterprises. This is just below the Scottish average, and lower than the percentage spent by other similar councils.

84. All councils have to comply with the sustainable procurement duty in all regulated contracts. Twenty-eight of the 31 regulated value contracts that were published in 2018/19 imposed community benefit requirements. In 2018/19, Aberdeenshire Council had a greater percentage of regulated contracts imposing community benefit requirements than other similar councils.

Part 4

Is the council working well with its partners?
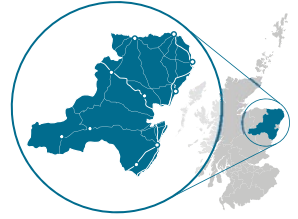
Partnership working is a strength at the council. There is, however, a complicated landscape of plans with inconsistent timescales for delivery which makes it difficult to demonstrate whether outcomes for local communities are improving.

There is effective partnership working to support the regional economy including the delivery of the City Region Deal.
In addition, there are constructive working arrangements with the health and social care partnership.

The council has a solid track record in public consultation but could do more to actively involve communities in decision making.

The council works well with community planning partners to deliver Local Outcome Improvement Plan priorities

85. The council is one of fifteen statutory partners in the Community Planning Partnership (CPP) 🖱. The Community Empowerment Act requires the CPP to develop a local outcome improvement plan (LOIP) aimed at tackling the impacts of deprivation and the inequalities faced by those who live in these areas. In 2017, the partnership (Exhibit 13, page 35) made a conscious decision to streamline its activities by setting three priorities:

- changing Aberdeenshire's relationship with alcohol

- reducing child poverty in Aberdeenshire

- creating connected and cohesive communities.

86. Strategic direction for the CPP is provided by the CPP Board whereas the CPP Executive coordinates community planning across Aberdeenshire, implementing tactical delivery of the agreed priorities and outcomes at Aberdeenshire level, and addressing barriers that arise. Three strategic lead partnership groups are each responsible for the governance and monitoring of one LOIP priority and associated action plan, and for ensuring that partners take ownership of agreed actions.

Exhibit 13
Community Planning in Aberdeenshire
The council participates at a number of levels as part of community planning.
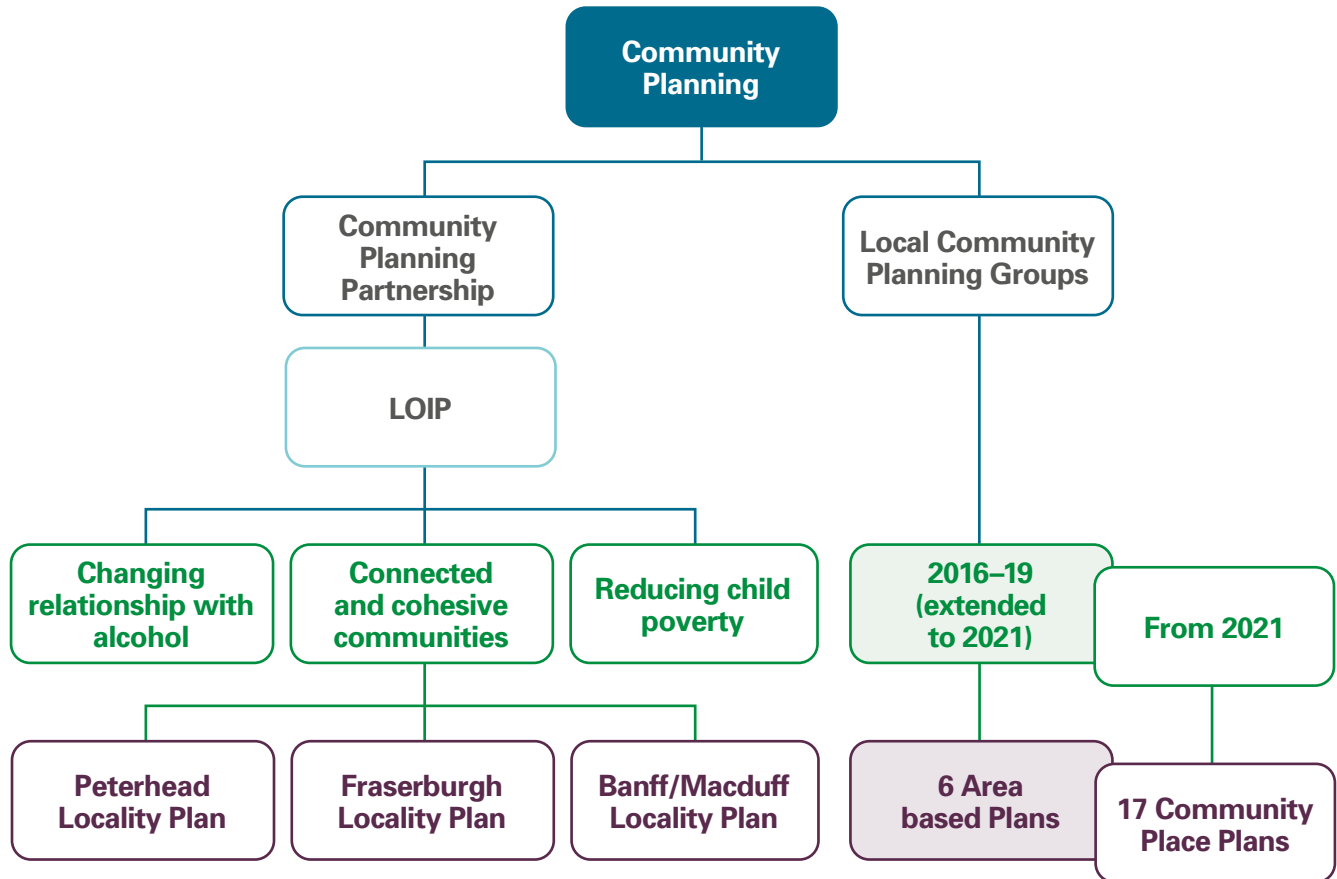
Source: Aberdeenshire Community Planning Partnership

87. By way of example, despite high employment rates in the area, the council had been aware of the considerable level of 'in work' poverty especially in rural areas and the impact this has on children. A Tackling Poverty and Inequalities group was established to bring partners together to address child poverty. For example:

- locating support workers in general practices in Peterhead and Fraserburgh to spot signs of poverty and provide 'signposting' to available support

- building connections between agencies in Banff and Macduff, networking with the third sector and holding public engagement 'one stop shop' sessions

- online engagement with a number of families across Aberdeenshire with 'lived experience' of poverty as a means of reducing the stigma attached to being in poverty and encouraging more conversations.

One out of three expected locality plans has not yet been published

88. The Community Empowerment (Scotland) Act 2015 (i) required CPPs to develop locality plans by October 2017 to tackle inequalities in their most disadvantaged areas. CPPs have the discretion to choose which localities have the most need and therefore the number of plans they are required to put in place.

89. Three areas were identified in Aberdeenshire – Peterhead, Fraserburgh and the combined towns of Banff and Macduff. Plans for Peterhead and Fraserburgh were produced in 2017 and 2019 but the third plan, covering Banff and Macduff, has not yet been agreed. The locality plans have been developed having considered existing plans in place for Peterhead and Fraserburgh. A separate plan with expected outcomes has been produced for Fraserburgh but Peterhead's plan is based around the complex array of existing plans for the town as illustrated in Exhibit 14. It is therefore unclear how performance will be measured in respect of Peterhead's outcomes.

The Community Empowerment (Scotland) Act 2015

The Act is based on the principles of subsidiarity (that social and political decisions are taken at as local a level as possible), community empowerment and improving outcomes. Underpinning all these provisions is the intent to focus attention on reducing disadvantage and inequality.

Source: Community Empowerment (Scotland) Act 2015

Exhibit 14
Plans impacting on Peterhead
There is a complex array of plans in place for Peterhead.
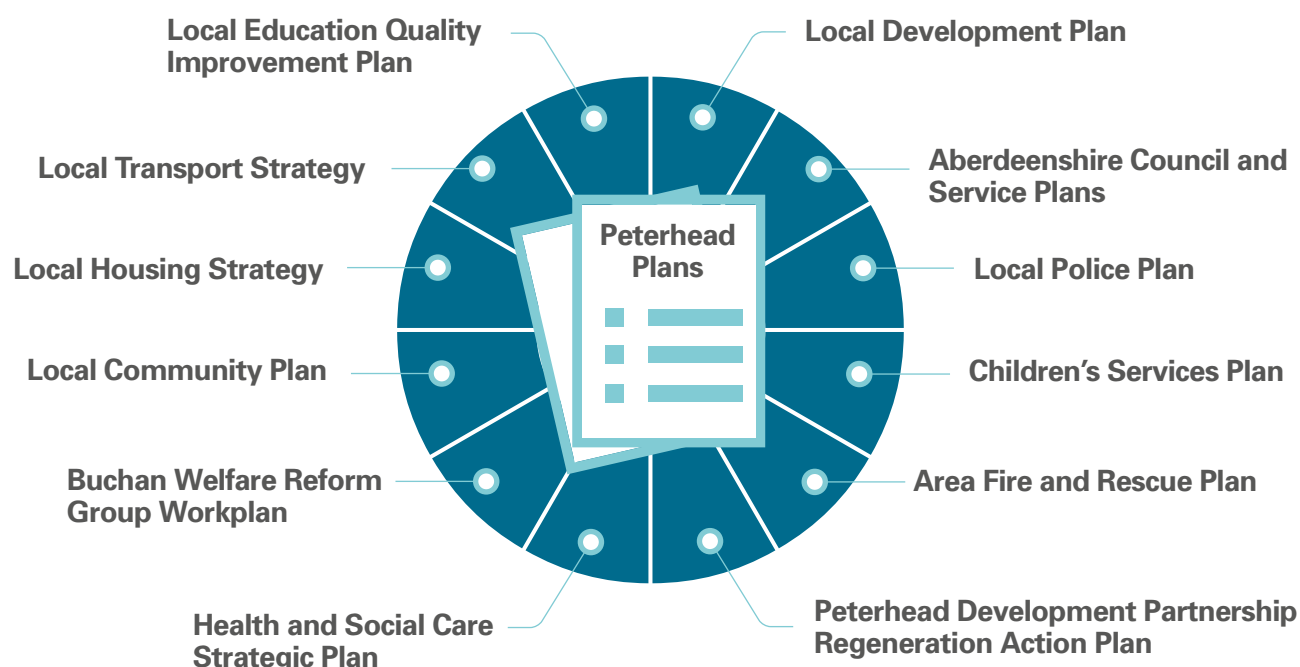
Notes: Following a range of engagement activity, nine outcomes were agreed for Peterhead and priorities were identified. The subsequent locality plan was prepared having considered the range of existing plans in place for Peterhead and identified any inequalities gaps that need to be addressed as part of the locality plan. In total, 29 specific actions were agreed. Although there is a governance structure in place for each plan affecting Peterhead, as illustrated, there is little evidence of a performance framework in place and therefore it will be difficult to demonstrate how the agreed outcomes have been achieved. Progress is recorded and is fed back to the connected and cohesive communities lead but this is largely a narrative of action taken rather than the use of measures and targets to demonstrate achievement.

Source: Aberdeenshire Community Planning Partnership

The council has been slow to refresh its local community plans

90. Each of the six areas has a local community planning group (LCPG) with a local community plan. LCPG's are chaired by the relevant area manager and its membership includes the area committee chair. The local community plans were developed in 2016 and were initially intended to cover the period to 2019. It is now proposed to replace these local community plans with 17 place-based community plans which will be aligned with the council's 17 secondary school catchment areas. Development of the new plans has taken longer than anticipated and therefore the existing local community plans will be extended through to 2021 at least.

91. Local community plans have been crucial in establishing service requirements within each area and promoting good partnership working and community engagement at a local level. Area managers confirmed that while there are good levels of partnership working locally, the diversity in some areas can be so significant that it is difficult to combine the needs of different communities within a single local community plan. Consequently, it is not always clear how the local plans link with the LOIP.

Partnership working is a strength at the council. It has a strong culture of working in partnership but needs to demonstrate how this improves outcomes for communities

92. We got a strong sense from members and officers that Aberdeenshire Council does business by working in partnership both strategically and within communities, building on the 'One Aberdeenshire' principles. Case study 3 (page 38) provides examples of occasions when the council worked well with communities in challenging times.

93. The CPP prepares an annual report to highlight the work that has been carried out during the year to address the aims of the LOIP. The 2018/19 annual report states that it will 'highlight a number of performance indicators to illustrate whether the LOIP is achieving its outcomes as well as the gaps that remain. Targets will be identified for performance indicators to give a clear sense of aims and allow the CPP to assess whether as much progress is being made as it should be'. However, it is not at all clear from the annual report what these performance indicators are, what target performance is and where the council needs to do more.

94. Significant activity is taking place as part of the LOIP and local community plans, but there is little evidence to demonstrate that this is having a positive impact on communities. Criteria needs to be developed by the council and its partners to measure the impact of working together and demonstrate how this improves the outcomes for communities.

Good progress has been made in implementing some aspects of the Community Empowerment Act but it is not yet fully embedded

95. The Community Empowerment (Scotland) Act 2015 aims to give communities more influence over how the council and its community planning partners deliver services. It provides formal routes for communities to become more involved, including participatory budgeting, participation requests and community asset transfer.

Case study 3

Working with communities – coming together when it counts

Ballater Recovery Plan: 'Working with the local community to restore Ballater to normality'

In December 2015, persistent rainfall in the aftermath of Storm Frank resulted in widespread and large scale flooding. The worst affected area was Ballater which was submerged in water after the River Dee burst its banks. Homes and businesses were evacuated and buildings, roads and bridges sustained significant damage. The main A93 from the east was closed after part of the road was washed away. The flooding had a long-term and high-cost impact on the local infrastructure and communities.

Operating during 2016, the recovery response was led by the Marr Area Manager through the community and business liaison groups which involved nearly 20 organisations. Local volunteers, unpaid work teams coordinated through the criminal justice service, and the army helped with the massive clean-up operation. Overall, £12 million was spent including around £1 million in relief to 1,000 homes and businesses in the Marr Area.

Aberdeenshire New Scots

In 2019, the council achieved a target set in 2015 to resettle 58 families (200 people) into Aberdeenshire via the Syrian Relocation Schemes in conjunction with COSLA, the Home Office and the United Nations High Commission for Refugees.

The successful programme was developed through a partnership which has evolved since 2015 and includes the council and partners, refugee families (known as New Scots) and the wider community. A Refugee and Asylum Strategic Group (including the council and partners) oversaw the work of the Refugee Resettlement Team. In addition to housing need and location, account was taken of education, job opportunities and access to services.

The Al-Amal Project was set up by the New Scots to act as a voice and provide support for new families. In response, other community groups have set up the Friends of Al-Amal to help co-ordinate volunteering opportunities and bring other groups together.

The council has committed to continue this work through the development of its Refugee Integration Strategy and an intention to resettle an average of 12-15 families per year.

Covid-19 response – Grampian Coronavirus Assistance Hub

Working with partners through the Grampian Local Resilience Partnership, the council, in April 2020, set up the Grampian Coronavirus Assistance Hub which included a new website and a telephone helpline to manage and co-ordinate community assistance in one place for the whole of Grampian.

Over 3,000 volunteers and community groups registered with the hub and were available to provide support in their local communities. Calls into the hub from individuals seeking help were logged and a local volunteer was allocated to assist. On lockdown, the council closed its culture and sports facilities, and diverted some of the Live Life Aberdeenshire workforce to support the assistance hub.

Source: Aberdeenshire Council

96. For many years the council has undertaken a budget consultation exercise and provided an online budget simulation tool to seek public involvement. The feedback from this exercise regularly informs the budget-setting process. Participatory budgeting is a means of giving communities a more direct say in how money is spent locally. Since 2017, there have been several participatory budgeting exercises, including those in Peterhead and Fraserburgh under the

banner of 'Your Voice, Your Choice' where local groups could apply for funding of up to £10,000 per project and the final decision was made by a public vote.

97. An external evaluation of one of the exercises found that the council needs to consider what it wants to achieve before proceeding with participatory budgeting. As yet, there has been no council-wide agreement on whether to develop participatory budgeting, but it has been proposed that a member officer group might be an appropriate way to develop a corporate approach.

98. The council has a long history of actively working with communities to deliver asset transfers and lease arrangements. Since 2010, the council has sold 16 properties to community groups at a nominal value and a further 45 properties are the subject of long-term lease arrangements with community groups at nominal amounts.

99. The council has clear guidance to manage the statutory community asset transfer process that was introduced in 2015. Area managers support community groups throughout the process. This includes working with groups to develop their proposals and ensure that the asset transfer will be sustainable. Between 2017 and 2019, the council received 31 expressions of interest and 15 formal asset transfer requests of which only one has been declined.

100. The council also provides clear guidance for communities interested in making a participation request. During 2018/19, only one participation request was received. It was submitted jointly by two community councils, seeking involvement in work to improve and encourage participatory budgeting.

The council has a solid track record in public consultation, but could do more to involve communities in decision-making

101. The council has a Consultation Code of Practice that sets out its approach to conducting 'genuine, meaningful and effective' public consultations. The council currently has separate consultation and community engagement strategies, but is developing a new community engagement and participation strategy which will be aligned with the National Standards for Community Engagement.

102. Consultation is only one form of community engagement, offering citizens an opportunity to give their views on a particular policy or issue. The National Standards for Community Engagement ⬒ and the Community Empowerment (Scotland) Act focus on developing more collaborative forms of engagement, involving ongoing dialogue between communities and the council and joint decision making. The council adopts a variety of methods of public consultation, including formal consultation exercises and online surveys with its citizens' panel. The council also conducts more participative local engagement events. Case study 4 (page 40) describes some examples of consultation and engagement undertaken in recent years.

103. While the council is proactive in consulting with communities and does carry out some other forms of community engagement, there is less evidence of communities being actively involved in codesigning services. The council has, however, committed to involving the community in co-designing services to be provided at the new Peterhead Community Campus.

Case study 4

Community consultation and engagement in Aberdeenshire

Development of the council priorities

In 2017, the council carried out extensive public consultation while developing the council's priorities. Around 1,500 people took part either in online surveys or in the citizens' panel or attended local events held across Aberdeenshire. Feedback informed the development of the council's priorities and a range of reports were produced summarising the results including individual reports back to each of the six areas.

Tenant Participation Strategy

In 2019, the council consulted with communities using a variety of methods, including surveys that could be completed online or on physical copies placed throughout Aberdeenshire. Workshops were held with residents and elected officials to understand local priorities. Common themes that emerged included the need for improved communication and greater use of digital technology and the desire for more opportunities to attend training and more partnership working. As a result, the council developed a draft Tenant Participation Strategy and Action Plan that attempted to capture the points raised through the consultation. This draft strategy was presented to community groups to allow them to provide further comment on the strategy's priorities. A new strategy was approved by the council in September 2019. There was an acceptance that this strategy should be as local as possible in order to reach all parts of Aberdeenshire. The council will subsequently look to communicate through social media, including launching a digital app that will be developed with input from tenants. Training will also be provided to allow tenants to carry out their role. This was in response to the feedback provided during the consultation.

Aberdeenshire health and social care services minor injuries review

During 2018-19, a service review was undertaken in response to low levels of activity and the impact this might have on their ability to provide sustainable safe services. There are nine minor injuries units which provided services 24 hours a day, 7 days a week. The council undertook wide-ranging consultation and engagement to understand community need and existing service use through nine public events, involving over 1,000 people, and around 4,000 questionnaires. Attendance ranged from nine to 380 and the most well attended events were held in Aboyne, Banff, Huntly and Turriff.

Early in the review, action was taken to address potential risks in the out of hours service in Insch and Inverurie. A different approach was taken in Peterhead and Fraserburgh as these areas generally experience greater demand for services especially urgent care and out of hours services. Otherwise, the review identified that demand peaked in daytime hours with a reduction in activity out of hours. After further consultation and consideration of data, new operating hours were implemented depending on local need. In four out five cases, this meant a reduction in hours and more efficient use of staff resources.

Source: Aberdeenshire Council

There is effective strategic and local partnership working to support the regional economy

104. Following the downturn in the oil and gas sector in 2015, the Regional Economic Strategy was developed in partnership with Aberdeen City Council and Opportunity North East (ONE), a private sector-led economic development initiative. This strategy sets out a 20-year vision for the region to 2035 and aims to reduce the north east's reliance on the oil and gas sector by developing new

technologies and innovation. A significant element of the strategy is the delivery of the Aberdeen City Region Deal and the recent completion of the Aberdeen Western Peripheral Route is expected to open up further opportunities to support growth in the local economy.

105. The Regional Economic Strategy Group includes key strategic partners such as Scottish Enterprise and the Chamber of Commerce and is responsible for monitoring the Regional Economic Strategy Action Plan. The council's responsibilities in respect of the Regional Economic Strategy Plan are set out in its Economic Development Action Plan 2017-23 against which an annual report is produced.

106. An important aspect of the council's economic development plan is its regeneration plans for the four 'North Coast' towns of Banff, Macduff, Fraserburgh and Peterhead. Business improvement districts supported by the council also operate in Inverurie and Peterhead. In addition, the council has adopted a 'Town Centre First' principle which aims to put the health of town centres at the heart of all decisions and criteria have been agreed for assessing potential projects to be funded by the Scottish Government's Town Centre Fund.

107. A network of rural area partnerships made up of local business and community representatives provides advice locally and act as a sounding board for the council. Local action groups have been set up for North and South Aberdeenshire to manage LEADER funding which is provided from the European Agricultural Fund for Rural Development and Scottish Government. The North partnership manages around £3.3 million and South £2.8 million, and both are focused on rural areas as opposed to the towns.

The council is working well with partners to deliver the City Region Deal

108. The Aberdeen City Region Deal was signed in December 2016 by Aberdeenshire Council, Aberdeen City Council, ONE and the UK and Scottish Governments. In total, the deal will invest £826 million in the north east over the 10 year period to 2026. Aberdeenshire Council's contribution is £10 million and it also acts as the accountable body for the deal. At December 2019, approximately 41 per cent of the agreed investment had been received. The deal includes the following projects and levels of investment:

- Oil and Gas Technology Centre, £354 million. The centre became operational in 2017.

- Agri-Food and Nutrition Hub for Innovation, £20 million. The business case was approved in 2018.

- Bio-Therapeutics Hub for Innovation, £38 million, construction expected to start in 2020.

- Digital Connectivity, £32 million (various projects).

- Aberdeen Harbour Expansion, £375 million. Completion has been delayed from 2020 to 2021.

- Strategic Transport Appraisal, £7 million.

109. The City Deal Joint Committee has nine members and is responsible for delivering the deal. It receives quarterly financial updates on individual projects and status reports. At the end of 2019, the UK and Scottish governments had released £55 million towards the deal while regional partners had contributed £249 million. ONE is the lead partner for the technology and innovation hubs and the Harbour Board is responsible for the harbour expansion.

110. Status reports provide a high-level account on the progress achieved against time, budget and resource using a RAG (red-amber-green) system. The February 2020 progress report highlighted some slippage across several projects, most notably the harbour expansion, owing to problems experienced with the dredging programme. The Joint Committee produces an annual performance report which provides a commentary on each of the projects included in the deal.

The council operates a multi-level approach to deliver transport solutions based on local need

111. As a rural area, Aberdeenshire needs to have good transport links to support the local economy and reduce poverty and inequalities. The council initially implemented a Local Transport Strategy in 2012 and it currently focuses on effective travel and active travel. This is a good fit with the themes included in the National Transport Strategy which was launched in early 2020.

112. The council has good relationships with Transport Scotland and Sustrans at a national level and regionally, and is one of the partners in the North of Scotland Transport Partnership (Nestrans). Significant projects currently in progress in Aberdeenshire or recently completed in partnership with these bodies include the Aberdeen Western Peripheral Route which opened in 2019, the reopening of Laurencekirk Railway Station and the Inverurie to Kintore cycle path.

113. A specific action plan has been developed to increase the reliability of journey times on the A947 Aberdeen to Banff road. This will support the regeneration of Banff and Macduff and also improve links for other communities along the route.

114. Locally, integrated travel town plans, supported by Sustrans, have been developed for Ellon, Huntly, Inverurie, Fraserburgh and Portlethen. The plans set out several proposals, from infrastructure developments designed to support more active and integrated travel, to softer interventions such as mapping, signage, events and promotional activities, that it is hoped will have a wider community benefit.

115. As the council is largely outwith the Inverness/Aberdeen/Dundee/Perth rail network, bus links provide the main form of public transport. The council participates in several local bus forums with bus operators and users and is represented at the North East Scotland Bus Alliance, a group that considers the wider regional bus network. The alliance has recently published a State of the Network assessment which is intended to act as a baseline to further develop the regional network. In 2020, the council published the findings of an extensive consultation that was undertaken to understand the bus link needs of communities throughout Aberdeenshire.

116. The council undertakes regular reviews of supported bus services to monitor and decide which routes should be supported. Performance framework data that takes account of, for example, passenger numbers, population, SIMD, availability of alternatives, access to health care and social needs is routinely used as part of the review.

There are constructive working relationships with the health and social care partnership

117. Aberdeenshire Integration Joint Board (IJB) is a partnership between NHS Grampian and Aberdeenshire Council. There is a strong ethos of partnership working across the public sector in the north east. The North East Scotland Partnership Steering Group provides the opportunity for NHS Grampian board members to meet with the chairs and chief officers of the three IJBs in the area. In addition, there are regular senior officer meetings involving NHS Grampian's chief executive and the council chief executive for the appropriate IJB area along with the relevant IJB chief officer and chief finance officer.

118. Significant work was carried out between 2017 and 2020 to produce the board's strategic plan for 2020-25. Originally planned for publication in spring 2018, the timetable was extended to enable a fuller programme of engagement and consultation to be undertaken.

119. An initiative known as Virtual Community Wards aims to avoid unnecessary hospital admissions by bringing together multidisciplinary health and social care teams who provide care for patients in need of regular or urgent attention. Since 2016, approximately 1,500 patients who might otherwise have required a hospital admission have received appropriate care.

120. In its 2019 Annual Performance Report, the Aberdeenshire IJB had scores at or above the Scottish average on 16 out of 19 national indicators. Owing to demand-led budgets and rising costs, the IJB has sought additional contributions from partners each year. Although the additional amount involved has remained consistent year to year, this is not a sustainable position for partners in the longer term. The IJB needs to work with partners to drive out savings through further redesign of health and social care services.

Part 5

Is the council demonstrating continuous improvement?

Since the last review, the council has made limited progress in some key aspects of Best Value. Decisive action is needed to establish a more consistent culture of continuous improvement.

The council's approach to self-evaluation has been inconsistent.

The council has delivered a major programme of estate rationalisation.

The council's approach to self-evaluation has been inconsistent

121. The council uses 'How Good is our Council?' as its self-evaluation methodology to undertake an annual review. The most recent exercise was carried out in summer 2019 and focused on governance. Nine facilitated workshops were held with 55 participants including elected members and officers drawn from across the council.

122. Key pillars of good governance were covered including strategic direction and leadership. Participants were able to consider a range of issues including the transparency of decision-making, how decisions link to council priorities, and the level of support and information provided to elected members, particularly in relation to budget planning and setting. Although an action plan was agreed, the monitoring arrangements were inadequate and the momentum was lost. The council's approach to self-evaluation has focused on corporate activities and this needs to be extended council wide to provide a more structured basis to support improvement.

The council has implemented a strategic change board supported by service transformation boards

123. The chief executive and directors meet on a quarterly basis as the strategic change board to oversee the council's large and complex projects. The board has taken time to develop and review the information it needs. Risks are managed and progress is monitored by means of a RAG (red-amber-green) dashboard. The format of the dashboard has improved over time and will continue to evolve.

124. In addition, each service has a transformation board and these have been in place for around two years. The boards aim to identify and implement structural and behaviour change, to use technology to streamline practices and become more efficient, and/or to seek ways of increasing income generation. The experiences and impact of the transformation boards have been mixed and

roles are currently under review. The council should consider using the boards as hubs to coordinate continuous improvement activities and assess the impact of change.

The council has undertaken a major programme of estate rationalisation

125. Around 2010, the council began to develop plans to rationalise its estate. Other than staff costs, property costs are the largest element of council expenditure. It was recognised that any savings in this area would support longer-term financial sustainability, help the council reduce its environmental footprint and provide staff with a modern working environment. The council has reviewed all property types, and implemented strategies to reduce the number of depots, commercial property, halls and public conveniences. The area of the most significant change is, however, office accommodation.

126. In 2010, the council had around 100 operational offices across Aberdeenshire with 15 separate offices in Inverurie alone. There was no single point of public contact in Aberdeenshire's towns and little flexibility in the way staff could work. The council initiated the Office Space Strategy in 2011 to reduce the number of offices by half and to provide a single customer service point in all the main towns. Exhibit 15 (page 46) provides a timeline of the major milestones in the project.

127. Before the council could deal with the buildings, it needed to change the way staff worked. The workSMART programme introduced options to enable staff to work more flexibly when required and was supported by digital technology such as instant messaging and video conferencing, a booking system for hot desks, and the roll out of Office 2013 and, more recently, Office 365. The ability to work flexibly helped the council to operate largely as normal during periods of severe winter weather and the recent Covid-19 pandemic.

128. The second stage of the programme enabled the council to consolidate office accommodation into a single customer service point in each of the main towns.

129. In March 2020, the Office Space Strategy Working Group were advised that the targets set in 2011 had been achieved (paragraph 126). The council had 50 operational offices and building projects were in progress in each of the main towns. A new office, shared with Police Scotland, has opened in Peterhead and plans are well advanced for sites in Inverurie, Ellon and Stonehaven.

130. Since 2010, the council has reduced its total operational estate by around 200 buildings as a result of the rationalisation programme. This has produced around £9 million in disposal proceeds and annual savings are estimated at £750,000. In addition,16 properties were sold at a nominal value to community groups.

The council has made limited progress since the last Best Value audit

131. The council has made limited progress since the last Best Value audit with the pace and depth of change being slow in some key areas, including the development of service-level workforce plans, benchmarking and arrangements to ensure effective monitoring of improvement activity (Exhibit 16, page 47).

Exhibit 15
Timeline of Office Space Strategy
The council have undertaken a significant project to rationalise its offices.

2010

September 2010

The council approves Corporate Asset Management Plan to ensure that the property portfolio is effectively utilised at all levels.

September 2011

The council approves the Office Accommodation Strategy. The intention is to rationalise offices with the aim of reducing the number from 98 to 53. The strategy sets out a plan to refurbish Gordon House and Woodhill House, to develop a new office in Peterhead and create service points in all major towns.

May 2015

Buchan House in Peterhead is opened and the accommodation is shared with Police Scotland.

November 2016

The Office Space Strategy Working Group (OSSWG) is set up to consider proposals for the development of new headquarters in Inverurie, with further developments in Ellon and Stonehaven.

January 2017

The number of offices has decreased from 98 to 63.

The council agrees a business case to build new headquarters in Inverurie to replace Woodhill House and Gordon House, along with refurbishment of offices in Ellon and Stonehaven.

April 2018

Following a change of Administration, the decision of January 2017 is reversed and the proposal for a new headquarters is dropped. Woodhill House is to be retained and the feasibility of sharing this space with other public sector partners is to be examined. Gordon House is to be released and a new office site developed at Inverurie Town Hall. Redevelopment of Ellon and Stonehaven is to continue as planned.

January 2019

The council approves the refurbishment of Viewmount office in Stonehaven.

March 2020

An update report for OSSWG outlines plans for Ellon, Inverurie and Woodhill House.

Summer 2020

Impact of pandemic
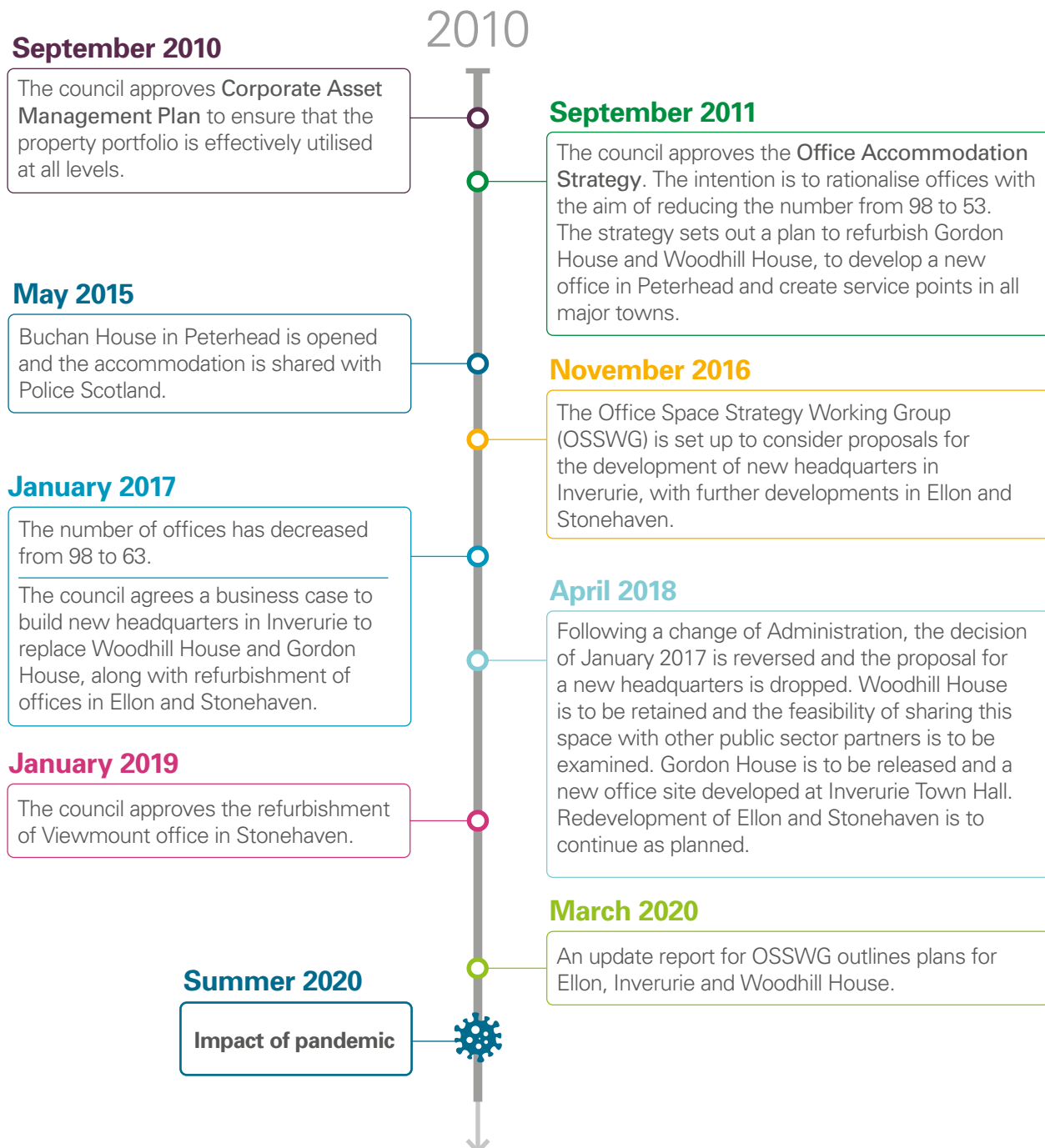
Source: Aberdeenshire Council

Exhibit 16
A comparison of 2013 Accounts Commission findings and 2020 audit judgements
The council has made limited progress in some areas since 2013.

Accounts Commission findings 2013	Controller of Audit judgement 2020	View
Strategic direction		
Continue to develop its leadership development programme and progress improvements in its corporate working.	The Chief Officers Change Programme is in place which provides a programme of seven workshops based on topics chosen by chief officers and co-developed with them. A leadership forum has been formed which meets twice a year and brings together the chief executive with managers from across the council.	Part 1
Develop service level recruitment and retention strategies in order to better manage its staffing levels.	Health and social care is currently the only service with a formal service-level workforce plan, but all services are expected to have one in place by March 2021. We would expect approaches to recruitment and retention to form part of these plans. There is evidence of other services considering workforce data and putting recruitment and retention initiatives in place, but not developing formalised recruitment and retention strategies. Most service level activity was largely in response to specific issues as they arose rather than as part of a strategic approach.	Part 3
Performance		
Prioritise its improvement activity at corporate and service level.	The council has a range of performance and scrutiny data – six-monthly performance reports, annual self-evaluation exercise (How Good is our Council?), scrutiny activity through the committee referral process, annual complaints reports, reputation tracker, etc, and at service level other information is collected. A more systematic process is required to demonstrate how improvement activity is used to drive performance. The implementation of strategic change and service transformation boards is aimed at ensuring that priorities are addressed. These boards are relatively new but could provide a useful channel to effectively manage improvement activity.	Part 2
Evaluate the impact of its improvement activity.	This area that still needs to be addressed by the council.	Part 2
		Cont.

Accounts Commission findings 2013	Controller of Audit judgement 2020	View
Involve elected members in prioritising improvement activity and in scrutinising the impact of that activity.	Elected members are actively involved in significant projects and reviews through their participation in member/officer working groups, briefings and workshops. The council reviewed its scheme of governance in 2017 and introduced a scrutiny model that applies to all policy committees and area committees. This provides the opportunity for all elected members to initiate and be involved in scrutiny. This is not yet happening consistently.	Part 2
Systematically collect, monitor and report on benchmarking activity to help it identify where it needs to improve.	Progress in developing benchmarking has been limited, and a new process for directors to monitor LGBF indicators has only been introduced in 2020.	Part 2

Source: Audit Scotland
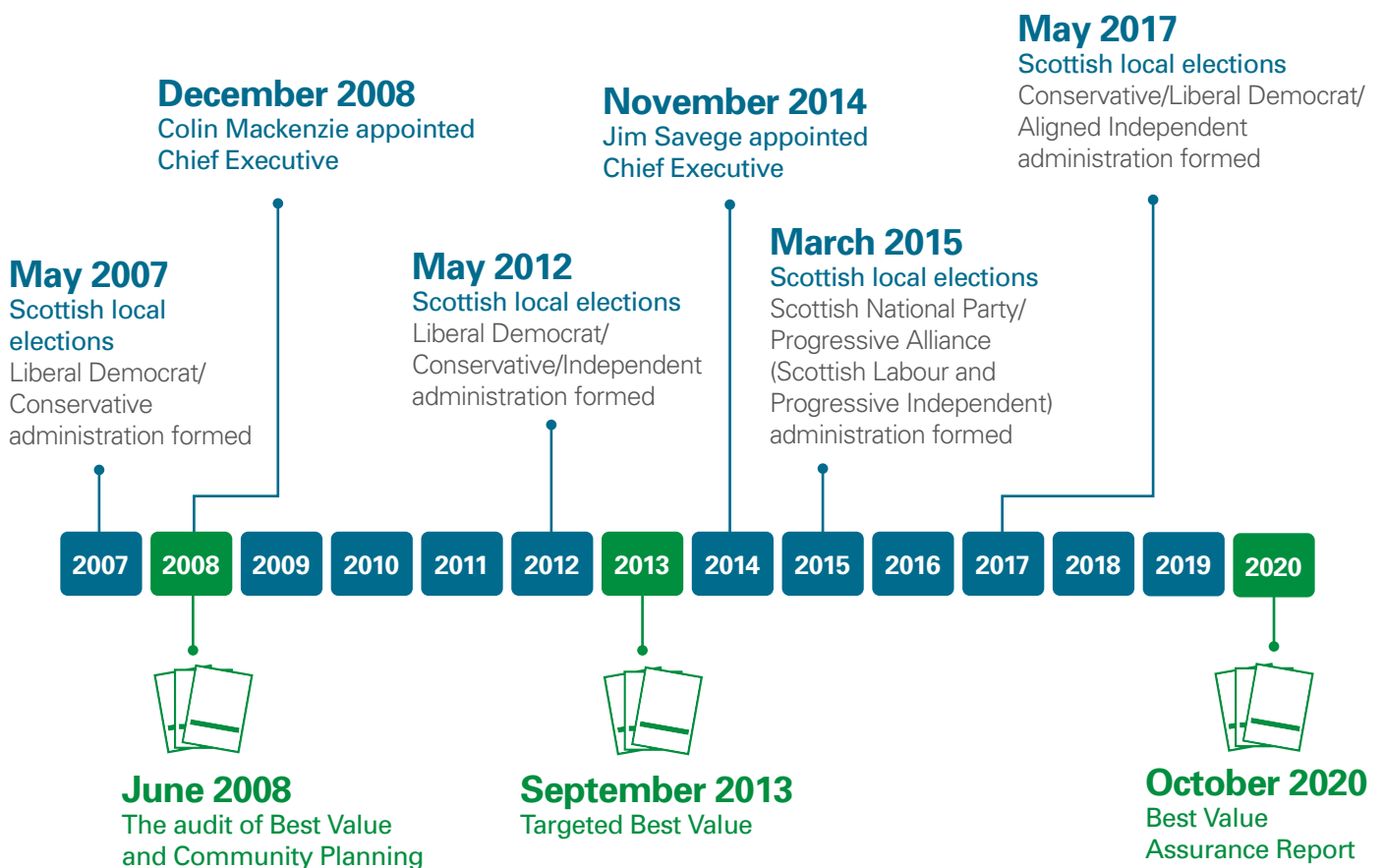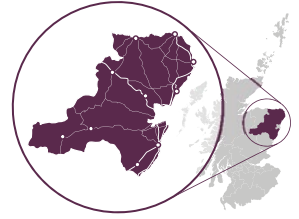
Recommendations
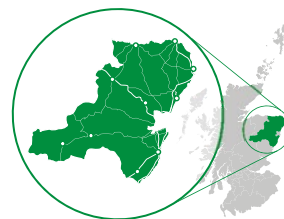
The council should:

Take decisive action to establish a consistent approach to continuous improvement across all its services and drive positive change for its communities by:

- Reviewing its priorities and outcomes and including SMART measures and targets so that progress can be clearly demonstrated. (paragraphs 18–20)

- Improving its approach to performance management by streamlining existing practices across services and supporting a culture of continuous improvement, including the use of benchmarking targets and family grouping data to provide elected members with a more rounded picture of the council's relative performance across services. (paragraph 36) (paragraphs 44–54) (paragraph 131)

- Implementing an effective council wide approach to self-evaluation including robust arrangements for monitoring agreed actions. (paragraphs 121–122)

- Reviewing the scrutiny arrangements to ensure there is sufficient public scrutiny and that it effectively supports continuous improvement. (paragraphs 29–31) (paragraph 131)

- Improving the performance of key services including educational attainment and housing relets. (paragraphs 44–48) (paragraph 59)

- Continuing to develop its corporate approach to workforce planning by setting out the numbers and skills of staff required in the medium and longer term and concluding service-level plans by March 2021 as intended. (paragraphs 70–74) (paragraph 131)

- Developing SMART criteria to assess the impact working in partnership has on improving outcomes, and consider whether the wide array of local plans is deliverable and demonstrates the best use of resources. (paragraphs 92–94)

- Concluding the remaining locality plans as soon as possible. (paragraphs 88–89)

- Continuing to develop area performance reporting that is timely and relevant at that level. (paragraph 37)

Appendix
Best Value audit timeline

Council journey

May 2007
Scottish local elections
Liberal Democrat/
Conservative
administration formed

December 2008
Colin Mackenzie appointed
Chief Executive

May 2012
Scottish local elections
Liberal Democrat/
Conservative/Independent
administration formed

November 2014
Jim Savege appointed
Chief Executive

March 2015
Scottish local elections
Scottish National Party/
Progressive Alliance
(Scottish Labour and
Progressive Independent)
administration formed

May 2017
Scottish local elections
Conservative/Liberal Democrat/
Aligned Independent
administration formed

| 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |

June 2008
The audit of Best Value
and Community Planning

September 2013
Targeted Best Value

October 2020
Best Value
Assurance Report

Best Value Assurance Report
Aberdeenshire Council

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