AGENDA ITEM NO
REPORT NO 347/11

ANGUS COUNCIL
SCRUTINY AND AUDIT SUB-COMMITTEE – 17 MAY 2011
REPORT BY CHIEF EXECUTIVE

AUDIT SCOTLAND – AN OVERVIEW OF LOCAL GOVERNMENT IN SCOTLAND 2010

ABSTRACT
This report informs the Sub Committee of Audit Scotland’s report ‘An Overview of Local Government in Scotland 2010’ (Appendix 1) and provides commentary from an Angus Council perspective on a checklist of issues for councils as incorporated within the report.

1. RECOMMENDATION
   The Sub Committee:
   ii. Consider the commentary outlining the Angus Council position in response to the checklist of issues contained in Audit Scotland’s report.

2. INTRODUCTION
   This Sub Committee is remitted to consider reports published by the Accounts Commission / Audit Scotland which are of relevance to the council.

   In January 2011, Audit Scotland published ‘An Overview of Local Government in Scotland 2010’. The report, copy attached, gives an overview of the main issues arising from Audit Scotland’s audit work in local government during 2010. It draws on a range of sources to highlight strengths and areas for improvement, and examines the challenges and risks in 2011 and beyond.

   Appendix 1 of the report sets out a checklist of points for councils to consider and the attached appendix to this report provides a self commentary identifying how this council is dealing with / has dealt with the points raised.

3. FINANCIAL IMPLICATIONS
   There are no financial implications associated with the terms of this report.

4. HUMAN RIGHTS IMPLICATIONS
   There are no human rights implications associated with this report.

5. EQUALITIES IMPLICATIONS
   The issues contained in this report fall within an improved category that has been confirmed as exempt from an equalities perspective.

6. CONSULTATION
   The Director of Corporate Services, Head of Finance and Head of Law and Administration have been consulted on the terms of this report.

   RICHARD STIFF
   CHIEF EXECUTIVE

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NOTE  No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973, (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.
Council’s Need to:

1. Demonstrate that they have tested the longer term impact and equalities aspects of workforce reduction plans (paragraph 44).

   Commentary: Workforce reductions are planned to be achieved through vacancy management. The impact of not filling a post on service delivery is considered before any decision is made. Vacancy management means there is no targeting on any specific group and therefore it is not considered that there will be any skewing towards any particular employee group.

2. Provide assurance that they are not being compromised by a loss of experience from those staff (particularly longstanding staff) that they release (paragraph 44).

   Commentary: The only staff the council ‘releases’ is via the early retirement scheme and before agreeing to a release consideration is given to any effect the loss of that employee will have on the service.

3. Carefully balance the cost of retaining physical assets against the short term expediency of selling them, to ensure that they achieve Best Value (paragraph 56).

   Commentary: The council has an asset management planning process in place which seeks to promptly identify surplus to requirement assets. We work in partnership with our housing division and local and national housing groups to determine future potential use of such sites as an initial priority consideration from an affordable housing perspective. The balance of assets are advertised on the market but sales are subject to the asking price being realised and discounted market offers are rejected on principles of not achieving best value. Whilst capital receipts are a key element of delivering our capital programme we will seek to ensure best value is not jeopardised due to cash flow matters.

4. Do more to fully integrate the planning of the use of all types of council assets, including property, roads, ICT and vehicles (paragraph 57).

   Commentary: Asset management plans are prepared for all these functions and ongoing work is progressing to ensure synergies and a cohesive approach from a corporate asset management perspective are realised. This includes by example parallel development of a property rationalisation review in conjunction with facilitating employee agile working opportunities through the use of ICT developments and property layout configurations.

5. Continue progress in demonstrating Best Value in procuring goods and services (paragraph 65).

   Commentary: Angus Council’s Procurement Capability Assessment (PCA) score for 2010 improved by 9% taking the Council into the “Compliant” category for the first time. Work to improve in those areas of the PCA which were less strong is already well underway. The investment by the Council in both Tayside Procurement Consortium and the small central procurement team in Angus House is paying off with both cash and non-cash savings being made year on year. Officers remain fully committed to driving forward the procurement reform agenda over the next few years.

6. Regularly review financial plans to take account of changing national budgets and local actions (paragraph 66).

   Commentary: The Council continues to set a robust budget on an annual basis but in the context of medium term service and financial plans and targets. The Council’s medium term planning is now well established as is our long term affordability reviews on our capital spending intentions. The Council’s budgets and medium term financial plans are therefore regularly reviewed and reappraised to respond to changing circumstances and new issues and our financial scenario planning prior to the 2011/12 Grant Settlement announcements proved to be very robust. We also have long term costed plans for major issues in older people’s services and waste management.

7. Ensure that medium term financial planning includes evaluating the financial effects of different policy options, backed up by good quality information about service costs and value for money (paragraph 73).

   Commentary: The Council lacks good quality information on cost drivers and unit costs in some areas of its activity and an action to address this is in the Corporate Improvement Plan. Assessment of the financial effects of different policy options is however part of the Council’s normal procedures that via Committee reports, capital project appraisals or options appraisals. Major changes in service such as those identified through the budget process or through service or efficiency reviews all have detailed finance input so there is clarity about the financial consequences of
Council’s Need to:  

8 Continue progress in taking into account environmental and long term sustainability in financial planning (paragraph 82).

Commentary

The Council has now given senior officers formal specific responsibilities and remits for carbon reduction and sustainability issues and the actions arising are being taken forward. A Member/Officer Group under the chair of the Leader of The Council has been established to review carbon management across the council.

Waste management was the subject of a major best value review in 2009 actions from which are currently being implemented. Financial planning around these activities is robust and is tackled through the medium term planning and budget setting processes.

9 Consult fully with citizens and service users on short term budget considerations, and in the longer term, on reshaping services for local areas, as an integral part of their wider approaches to engaging with their communities (paragraph 86).

A public consultation exercise was undertaken to help inform the setting of the 2011/12 budget and consultation exercises will also be conducted in future years. Service user views are taking into account in major service redesign exercises.

10 In fulfilling their equalities obligations, better understand and demonstrate the impact of their activity on different groups (paragraph 88).

Equality impact assessments are undertaken to determine whether a proposed policy, procedure or function would have an adverse impact on minority groups. Using this method we aim to ensure that equal opportunities implications are duly considered. Equality impact assessments are also undertaken for each proposed budget saving.

11 Better meet the requirements of Public Performance Reporting (paragraph 89).

The council has set public performance reporting arrangements in place. These are regularly reviewed to ensure they remain fit for purpose. The most recent shared risk assessment undertaken by the main scrutiny bodies had no significant concerns with our arrangements.

12 Consider more transparent ways of reporting their accounts and financial performance (paragraph 91).

The current focus for Finance staff is on dealing with the significant additional burden associated with producing the first set of International Financial Reporting Standards (IFRS) based accounts for financial year 2010/11. The Council already follows best practice by publishing in leaflet form a set of summarised accounts and both these and the Council’s full accounting statements are made available for public consumption through committee reports, in local offices/libraries and on the website. The Council also publishes financial performance during the year through regular budget monitoring reports to committee and financial performance is also covered in each department’s Annual Report. The Foreword to the Accounts and the accompanying Committee report already set out very clearly how each department has performed relative to their budget.

13 Work with their community planning partners to recognise the potential of community planning structures in setting out the shape of future provision of services in their local areas (paragraph 93).

The partnership has established a new vision, values and priorities linked to delivering outcomes. The overarching partnership structure has been revised to align with partnership priorities. Additional work is undertaken at the thematic partnership level e.g. Integrated Resource Framework and Change Fund and Early Years Partnership work. Plans for a pooled resource for youth work are currently being progressed. Partners restate their commitment to partnership work each year when they sign up to the delivery of the Angus Single Outcome Agreement.

14 Get better at showing how various options of models of service provision are properly evaluated (paragraph 97).

Any report considering different methods of delivering services would incorporate an option appraisal detailing the potential benefits and risks associated with each option.

15 Consider shared services as one option in an approach which
16 Make full use of the relationship with the third sector (paragraph 107).

Both the voluntary sector through Angus Association of Voluntary Organisations (AAVO), and volunteering through Volunteer Centre Angus (VCA) are represented on the Angus Community Planning Partnership. As full and longstanding members of the partnership they have both contributed to the development of the outcome approach in Angus. The partnership is currently supporting the development of the Third Sector interface. Thereafter it is hoped to establish a forum where a compact can be considered. An earlier compact agreement led by NHS Tayside is current at this time.

17 Provide councillors with better information on service costs and quality, and user satisfaction (paragraph 112).

The most recent shared risk assessment undertaken by the main scrutiny bodies recognises the improvements made to performance management information for elected members. Steps have been taken by services to enhance customer satisfaction data and from next year such information will be contained in departments’ annual reports. It has been recognised that there is a need to improve unit cost information and an action on this regard is included within the corporate improvement plan.

18 Make better use of comparative performance information and activities such as benchmarking (paragraph 112).

It is recognised that improvements can be made in regard to the use of comparative information and benchmarking and the work currently being undertaken by SOLACE in this regard is awaited.

19 Work with community planning partners to improve their performance management, monitoring and reporting processes of partnerships (paragraph 113).

Performance management arrangements are now well developed for partnership work in Angus. The SOA mid-year and annual reports are managed by the partnership SOA Implementation Group and reported and scrutinised by numerous committees and boards. Angus Performs provides performance information publically and can be found at angus.org.uk. The partnership’s thematic groups have well developed indicators and targets that site below the ‘waterline’ of the SOA. These are also reported and scrutinised. Each thematic group has developed a delivery plan which identifies resource issues for consideration by the partnership’s resources group.

20 Use self-evaluation more routinely and systematically across all council activity, including testing competitiveness and efficiency (paragraph 115).

Self assessment using the Public Sector Improvement Framework is being rolled out across the council and will have been introduced within all departments by June. An initial corporate self assessment has also been undertaken by the Chief Officers Management Team.

21 Make full use of the Accounts Commission report How councils work: an improvement series for councillors and officers – Roles and working relationships: are you getting it right? to explore ways of improving leadership and governance (paragraph 117).

This report was considered by the Scrutiny and Audit Sub Committee on 21 September 2010.

22 Make full use of scrutiny and audit to challenge performance and demonstrate value for money (paragraph 122).

The Scrutiny and Audit Sub Committee has a clearly defined role in relation to scrutiny of performance. The committee structure also gives elected members a scrutiny role in regard to the setting of policy.